

104
DRUGS IN ASIA: THE HEROIN CONNECTION

Y 4. IN 8/16:D 84

Drugs in Asia: The Heroin Connectio...

HEARING
BEFORE THE
SUBCOMMITTEE ON
ASIA AND THE PACIFIC
OF THE
COMMITTEE ON
INTERNATIONAL RELATIONS
HOUSE OF REPRESENTATIVES
ONE HUNDRED FOURTH CONGRESS

FIRST SESSION

JUNE 21, 1996

Printed for the use of the Committee on International Relations



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DRUGS IN ASIA: THE HEROIN CONNECTION

WEDNESDAY, JUNE 21, 1995

HOUSE OF REPRESENTATIVES,
COMMITTEE ON INTERNATIONAL RELATIONS,
SUBCOMMITTEE ON ASIA AND THE PACIFIC,
Washington, DC.

The Subcommittee met, pursuant to call, at 10 a.m. in room 2200, Rayburn House Office Building, Hon. Donald A. Manzullo, [member of the subcommittee] presiding.

Mr. MANZULLO. The subcommittee will come to order.

I am Congressman Don Manzullo from the 16th District of Illinois. Chairmen Gilman and Bereuter have asked me to take the lead on narcotics issues for the Subcommittee on Asia and the Pacific.

Mr. Bereuter is currently engaged in a Banking Committee mark-up but also hopes to join us later in the hearing, as well as Mr. Gilman.

Today's hearing on narcotics in Asia is the third in a series of regional narcotics hearings by the Subcommittees of the House International Relations Committee. The Committee takes very seriously its oversight responsibility in the important areas of narcotics control and is using these hearings to press the Clinton Administration for a more cohesive and vigorous narcotics enforcement effort.

This hearing will focus on the flood of heroin from South and Southeast Asia to the West and particularly to the United States. There are 11 major drug-producing or transit countries in Asia, four of which are the major focus of our attention today: Burma, Afghanistan, Thailand, and Pakistan.

On March 1, 1995, the Clinton Administration certified Thailand for cooperating fully with the U.S. anti-drug efforts.

Pakistan's certification was lowered from fully certified to certified with a national security waiver.

Afghanistan is decertified, as is Burma.

Thailand remains the major transit route for heroin production from the Golden Triangle. The narcotics cooperation with that country remains good.

Pakistan's certification rating was lowered because, while seizures were up, few major traffickers were arrested and no recent asset seizure cases were prosecuted.

Key U.S. concerns regarding Pakistan are ineffective policing of the border with Afghanistan and continued massive poppy cultivation and heroin production in the remote Northwest frontier.

Afghanistan remains the second largest producer of heroin in the world next to Burma. The U.S. estimates that opium production in Afghanistan rose 38 percent in 1994. The lack of a strong, centralized government in Kabul has rendered eradication programs, investigation and prosecution of traffickers, and large seizures of narcotics nearly impossible.

The U.S. Government has almost no counternarcotics presence in Afghanistan and is unable to initiate such activities in the current unstable environment.

Burma is the world's largest producer of heroin and the source of approximately 60 percent of the U.S. supply. Despite this flood of heroin, the Burmese Government, the SLORC, continues to view counternarcotics as an issue of minor importance.

While some limited efforts were made against the drug traffickers, these efforts have had a negligible impact on the drug situation in Burma, or worldwide.

Compounding this lack of government resolve, Rangoon faces major practical obstacles in any counternarcotics efforts. The central government lacks access to, and control over, large areas of cultivation and production. Without such access, eradication and seizure programs are ineffective, and arrests and prosecutions difficult. Clearly, greater effort must be shown on the part of Rangoon in counternarcotics efforts for certification to be considered.

Widespread concern over Burma's deplorable human rights record has hampered U.S. efforts to deal with the current SLORC government in the area of counternarcotics. This conflict between two major U.S. policy goals has hampered the development of the Clinton Administration's heroin strategy, which has been in the works for 2 years.

We are anxious to hear from our witnesses today how the Administration plans to deal with these conflicting counternarcotics and human rights goals.

The narcotics epidemic in major cities throughout the country, like New York and Chicago, makes it imperative that the Administration exercise leadership in this area and ensure that any new "strategy" be more than a mere paper exercise with little impact on the streets.

Today we are fortunate to have three key Administration officials, and two Members of Congress at the last minute, to testify before us today on the heroin connection.

Dr. Lee Brown, the Director of the President's Office of National Drug Control Policy, otherwise known as the "Drug Czar," will lead off.

Before assuming this position, Dr. Brown was a professor of criminology at Texas Southern University after having served many years in top law enforcement posts in New York, Houston, and Atlanta. Dr. Brown has a doctorate in criminology from the University of California at Berkeley.

Then Robert Gelbard, the Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, will testify; as well as Stephen Greene, Deputy Administrator of the Drug Enforcement Administration.

Mr. Gelbard is a career foreign service officer who has served with distinction as Ambassador to Bolivia, as well as in a number

of key economic positions in the Department and at embassies in Asia, South America, and Europe.

[The prepared statement of Mr. Manzullo appears in the appendix.]

Mr. MANZULLO. Mr. Gilman, do you have an opening statement?

Mr. GILMAN. Thank you, Mr. Chairman. I welcome the opportunity of participating with you on this important hearing on the serious narcotics problem arising in Asia, particularly with regard to heroin. I want to commend the Subcommittee for conducting this hearing.

There is certainly much we can do in our fight against drugs, especially before they reach our shores, adding billions to our crime, incarceration, health care, and worker productivity and absenteeism costs.

The problem of international drug trafficking has not received the attention it deserves. Last year, the Mayor of New York, Rudolph Giuliani, suggested the United States begin treating the international drug war as a foreign policy issue, rather than a law enforcement problem for our cities to handle alone. I agree with the need to take on a good portion of those problems in our international segment.

The views of Mayor Giuliani are particularly relevant to this Subcommittee hearing since New York City today is, once again, awash in heroin, the primary drug being exported from Asia.

In a recent visit with DEA officials, I learned that heroin use is alarmingly on the rise. Furthermore, the supply in New York City is the cheapest, purest—with an 85 to 90 percent purity rate in some cases—and the deadliest seen in many years.

Most of the heroin found in New York and other eastern cities is of the “white” variety, produced primarily in Burma and Afghanistan. It is shipped to the United States via Thailand, Vietnam, and Nigeria and through the African nations that have numerous narcotics couriers.

It would seem logical, based on these alarming developments, that the Administration would have quickly developed a strategy for dealing with the rising heroin problem, especially with Burma, the Nation which produces 60 percent of the world’s supply.

The Administration has been telling us that they have a heroin strategy, and we wait for the details. I hope our panelists today will be able to give us some of those details.

Some type of strategy for dealing with this problem is certainly long overdue. We owe it to the children in our cities. We owe it to our entire nation, all of whom are experiencing firsthand the horrible side effects of heroin use; violence, crime, HIV/AIDS, and shattered families. Nothing less will suffice in a meaningful strategy.

I hope that these hearings, Mr. Chairman, will help us shed some light on the solutions to the heroin crisis. I will also be looking carefully at the level of cooperation and interest we are getting from key nations like Vietnam and Thailand in helping to stem the flow of drugs from the region.

Mr. Chairman, I thank you for holding this hearing, and we hope we can produce a long-awaited heroin strategy.

Mr. MANZULLO. Thank you, Mr. Gilman.

[The prepared statement of Mr. Gilman appears in the appendix.]

Mr. MANZULLO. Before we get on with Mr. Richardson, any of you folks who want to sit up here, or over here, you are welcome to do that. The only thing that I would ask is that if somebody wants to leave that you make it as easy as possible for them to do so.

Why don't we just take 30 seconds so you can kind of shift logistically.

Bill, they all came to hear you. Why don't you have a seat.

Mr. Rangel is on his way, and hopefully he will be here. We will first hear the testimonies of both Members of Congress and then get into those that were listed.

Congressman Richardson is a good friend of mine. We have worked together on a lot of trade issues. We saw him on television when he just happened to be in Korea at a very important time in history. Thank you for your efforts there. Bill, everything you did helped to bring about a resolution there.

Mr. Richardson asked to testify today about the brand new policy of the Clinton Administration with regard to opening up the way for broader anti-narcotics cooperation with Burma.

And at this point, I want to introduce Congressman Bill Richardson.

STATEMENT OF HON. BILL RICHARDSON, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW MEXICO

Mr. RICHARDSON. Mr. Chairman, thank you. Thank you for your kind words.

Let me also say that I have been to Burma three times in the last year and a half, once with Chairman Gilman. I have taken a great interest in the issues affecting this country from my Intelligence Committee.

Let me also say, Mr. Chairman, that I find myself in an awkward position. This will be the first time that I oppose a Clinton Administration initiative in the foreign or domestic policy arena after two and a half years.

But I must say, Mr. Chairman, that the reason I have asked to testify is because of the unwelcomed news I have heard about the Administration's heroin policy with respect to Burma. And I will only speak to Burma. I will not cast judgment on the other countries that you have mentioned.

Let me say that I think that the Administration's policy with respect to Burma, of the increased narcotics cooperation, is indefensible. It is wrong. It makes no sense both, in my judgment, from a narcotics standpoint but most importantly from the human rights standpoint.

Mr. Chairman, what we are doing by increasing our cooperation with the SLORC is we are rewarding the SLORC for their continued repression.

Let me just tell you what the SLORC has done in the last week. Two days ago was Aung San Su Kyi's birthday. This is a courageous woman incarcerated for 6 years for her political beliefs. The SLORC denied her husband and her family the right to visit her for the first time in many years, a new policy of retrenchment.

Three days ago, the SLORC dispatched the International Red Cross, which previously had made an agreement with the SLORC to inspect their prisons, one of the most repressive prison systems in the world. They literally threw them out because the SLORC placed unacceptable positions on the Red Cross.

Last, Mr. Chairman, let me say that after I returned from Burma 10 days ago, individuals from the opposition, from the National League for Democracy, were incarcerated as a result of meeting with me.

Now, right now, Mr. Chairman, I think the SLORC has become the heavyweight champion of repression. Yet, despite this retrenchment, this lack of access to the Red Cross, the lack of a dialog with Aung San Su Kyi, the refusal to release her so that they can engage in talks on democratization, a fake parliamentary system, the exercise SLORC is going through, thousands and thousands of political opponents in jail, a repressive prison system, charges of forced labor, yet we are now enunciating a new policy where we are saying "narcotics cooperation takes precedence over human rights and democratization." That is wrong. That is totally wrong.

And I would hope, Mr. Chairman, with the credentials that you and Mr. Gilman and others have on the issues both of narcotics and human rights that you reject this Burmese component.

Mr. Chairman, let me just deal with the narcotics issue. You yourself said there has been little progress in the narcotics front. You yourself said that efforts to permeate the Shan State with some anti-narcotics measures have been negligible.

I am not going to come here and tell you I am an expert on the narcotics issue. I am not going to tell you either that the SLORC is involved in trafficking with others. I do not have that evidence. I think Mr. Brown and others can speak to that.

My only point is that there are a lot of lower level Burmese officials deep in the border areas of the Shan State that, evidence has it, are on the take. The question is: Why is it that we feel compelled to proceed with modest increases in anti-narcotics efforts?

Now, this is what we are doing, as I understand it, Mr. Chairman. We are asking to finance NGO's within Burma. We are asking for the United Nations to increase assistance to the U.N. drug component in Burma. But I think we are also asking, as Mr. Lee Brown is going to be testifying, for in-country narcotics training by U.S. officials.

The reason I find this policy so objectionable is on account of the political signal it is sending. The *LA Times*, Mr. Kim's newspaper, headline, front page: "U.S. to Help Myanmar Fight Drug Trade." The signal we are sending there is that for all of your repression, SLORC, we are now going to reward you. We are going to increase narcotics cooperation, however modest it will be.

Mr. Chairman, I think that is wrong. I think that this country for many years had the right policy toward Burma. It denied economic assistance on human rights grounds. It denied most bilateral narcotics assistance on human rights grounds. We denied the international financial institution assistance. We have not encouraged or discouraged trade and investment. We have operated, perhaps in a vacuum, with other countries in Asia who pursue a policy of constructive engagement with Burma. Constructive engagement

basically means do whatever you want. If we engage you more, you will improve your democratic system.

Well, the record shows that since January—and this Administration will admit to you—that there has been a regression. Yet, we are proceeding with increased narcotics cooperation. And the Administration will tell you, well, it is not to the SLORC. But it is in Burma. It does involve training SLORC individuals by our people, by our good DEA agents. So the signal we are sending is: We are rewarding you for what you have done.

Now, I care too about heroin. I have problems in my State, in my Indian community and my Hispanic community. And I would support all the equipment that Dr. Brown wants, all the training he wants for Thailand and these other countries that perhaps have democratic systems. But to do this with the SLORC right now is indefensible and sends signals around the world that are wrong.

And let me close by telling you who the worst signal this is going to be to. There is a woman named Aung San Su Kyi who has been in prison for 6 years. I had the fortune of meeting with her, the first non-family member to meet with her. And she sits in a prison in house arrest with a conviction that unless she is released unconditionally, which is U.S. policy, that she will stay in that prison because of her belief. She was jailed because her party won 80 percent of the vote. And most of her supporters were jailed, but she was jailed and, in principle, she has stayed in house arrest.

Now, we are saying to her: We have changed our policy, and we are increasing our narcotics assistance from what it was a week ago to what it is going to be now. And I think that is the wrong signal, not just to send to her, but to everybody around here who cares about human rights.

So, Mr. Chairman, let me close with my strong admiration for Dr. Lee Brown and his efforts as he tries to deal with this intractable problem and to the State Department Narcotics Bureau. But I am going to try to stop this. Congressman Rohrabacher and I are going to try to stop this—this is not a partisan issue—with an amendment soon to an appropriate bill.

Mr. Chairman, I hope you ask these good narcotics questions: Is this modest amount going to help? If you want to help the cooperation why don't you do massive amounts? Why this modest amount that sends the wrong signal?

Do not let them say to you, well, we are not doing it with the SLORC; we are doing it with the United Nations, which is right there and which cooperates with the SLORC. We are doing it with NGO's that have to cooperate with the SLORC. And we are increasing training. We are having more training. Our people are training theirs.

Mr. Chairman, I think that is wrong, and I hope you stop this. [The prepared statement of Mr. Richardson appears in the appendix.]

Mr. MANZULLO. Bill, I really appreciate your comments. I also appreciate the fact that you have taken the time to travel to Burma three times in the past 18 months. Mr. Gilman just handed me an article that appeared in yesterday's paper about the Red Cross announcing closure of its headquarters in Burma.

I have got a couple of questions. And that is that, you know, we have three major categories of countries that are involved in trafficking or flow-through points that are given specific classifications: fully cooperating, not fully cooperating but given a national security waiver, and denial of certification of cooperation.

Two of those countries are China and Vietnam. And both of those countries have tremendous human rights problems.

I guess the issue is: Is it in our best interest in trying to get this heroin off the streets? I mean, most of it coming in through the Chicago area is Southeast Asia white. It is destroying our kids.

I practiced law for 20 years. I represented several hundred kids that got involved with drugs and narcotics. I saw children die, families decimated. And it continues to get worse over the years.

My question to you is: We deal with China on a day-to-day basis. We have given them MFN status. They are fully cooperating. How do you distinguish what may happen in Burma as a result of these overtures by the United States?

Mr. RICHARDSON. Well, Mr. Chairman, I think you yourself stated that China is fully cooperating. I do not know where you put Vietnam?

Mr. MANZULLO. They were both fully cooperating.

Mr. RICHARDSON. Fully cooperating.

Well, I think the answer is you have to take it on a case-by-case basis. I do not have the evidence that Burma is fully cooperating. For all I know, any narcotics assistance that we are giving them is going into a rat hole or is going to drug traffickers. I do not know the answer to that fully.

But I reckon your opening statement says that the level of cooperation has increased. I have been to some of those border areas, and I cannot give you an honest assessment whether within that Shan State there is not cooperation between the SLORC and the traffickers. I have seen the U.N. operation, too. I think the U.N. does a decent job with limited resources.

But what I am saying, Mr. Chairman, is I think we also have other values and that is the protection of human rights. And what we are doing by increasing this cooperation at this particular time, when they are retrenching, they are going to take this as a reward.

When we went to Burma they always said to me: We need more narcotics assistance. And what they want is a stamp of approval by the United States so they can get stamps of approval in many other areas where they are primarily isolated with their human rights policy.

So, Mr. Chairman, I think you take it case by case. Is the SLORC more repressive than China? Yes. Is it more repressive than Vietnam? Yes.

I think these are the heavyweight champions of repression. You ought to go to their prisons. You ought to see the treatment of Aung San Su Kyi. The Chairman mentioned, the Red Cross left after they made an agreement with the SLORC to inspect their prisons. They arrested people that I met with, opposition leaders.

Mr. Chairman, to come in with a policy right now with a headline in a major American paper "U.S. to Help Myanmar Fight Drug Trade" is a terrible signal to send.

Mr. MANZULLO. Mr. Gilman.

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. Richardson, I want to commend the gentleman from New Mexico for his efforts on behalf of human rights.

The problem we face, of course, we all recognize, is severe human rights violations in Burma, and we do not see any improvement. Yet this is a major producer of heroin for the whole world, 60 percent of the world's production.

What can we do to reduce that, recognizing that we want the SLORC government to become more democratic and freer and at the same time want them to cooperate on the narcotics efforts? Any suggestions?

Mr. RICHARDSON. Well, Mr. Chairman, at least demand a trade-off and say: Look, you really want this narcotics cooperation? You think you are serious about it with the United States? All right. How about releasing unconditionally Aung San Su Kyi? How about having elections? How about releasing some of your prisoners?

We have, apparently, not engaged in that tradeoff. In fact, just a week after these unfortunate developments of this woman being detained in prison, probably not going to be released, her husband denied access and kicking out the Red Cross, we are announcing this policy. If I were a SLORC general, I would say: Hey, all you have to do is continue repression, and we are going to get rewarded. That is my point, Mr. Chairman.

I would like to have a tradeoff. I would like to have more narcotics cooperation with Burma. It appears to have tangible effects. But if you look at what the Administration wants to do, they want to increase aid to NGO's within the area. They want to increase the U.N. presence there.

These are very modest increases. They are hardly going to have any negligible effort. We are going to train more of their people. But, yet, we do not have the evidence that they are making an honest effort to deal with narcotics eradication. And, plus, they are human rights violators of the first order, and they are retrenching.

Now, Mr. Chairman, Afghanistan, Pakistan, South Asia, you have dealt with all of these countries; and probably on a case-by-case basis, we have made those tradeoffs, and we have secured some improvements in human rights.

I think with the Thais, they have a good record with refugees. They have a vibrant democratic system. With other nations, Pakistan, too, we deal with their nuclear proliferation issues.

What is the SLORC doing for democracy? What is the SLORC doing for us to deserve this? When, in effect, they are not necessarily making dramatic increases in narcotics eradication.

Our DEA people, I have great respect for them, maybe they can tell you, maybe they think it is worth the effort. But as politicians ourselves, that stand for human rights and democracy, we are going to bed, we are going to bed with the heavyweight champions of repression if we approve this policy.

And we are rewarding them for continued oppression in the last 6 months. And I think that is wrong.

Mr. GILMAN. There is a tribal group, the Wa people, who are major producers. They have put forward, apparently, a sincere, earnest proposal to stop the production of opium.

Do you know if any effort has been made to reach out to the Wa to bypass the illegal government in Rangoon in order to stop production?

Mr. RICHARDSON. No. Mr. Chairman, you know, I have to rely on you and Mr. Manzullo and Mr. Brown.

All I know is the evidence that I have that the SLORC effort, they are probably not on narcotics eradication retrenching there. They are probably trying to make an effort but under insurmountable odds. I do not know the answer to that.

Mr. Chairman, I understand you may be requesting a GAO report on that. I commend you to do that. I think experts should be able to answer that question.

All I know is that I think the narcotics cooperation just on narcotics grounds and the fact that there are hundreds of traffickers in the area—and we do not know who is on the take—whether it makes sense on narcotics grounds to increase our cooperative efforts any way.

Mr. GILMAN. We want to thank you, Congressman Richardson, for your efforts in focusing attention on these violations of human rights.

Mr. MANZULLO. Mr. Kim, do you have a quick question? We are going to have to break for a few minutes for a quorum call.

Mr. KIM. Yes. I would just like to commend you for your fine presentation. I do not agree with you that often, but this time I agree with you 100 percent. It was an excellent presentation.

Yes, I too have concerns about this counternarcotics training proposed by our own Administration to the same military junta who has this security apparatus. I have the same concern. I do not know why we are doing this. What we are really doing is strengthening them.

I share the same concerns as you do.

Mr. RICHARDSON. Thank you, Mr. Chairman.

Mr. MANZULLO. We are going to recess, and we will be back here in about 15 minutes. Then we will start with Dr. Brown. Congressman Rangel will be wandering his way through here. So if you just bear with us on the order, that would be great.

[Recess.]

Mr. MANZULLO. If we could call the Subcommittee to order. I am sorry for the 15 minutes that grew to 40 minutes. We just finished up a bill.

Our next witness is going to be Dr. Lee Brown. We appreciate you taking the time to come here, and the floor is yours, Dr. Brown.

STATEMENT OF HON. LEE P. BROWN, DIRECTOR, OFFICE OF NATIONAL DRUG CONTROL POLICY

Dr. BROWN. Thank you, Mr. Chairman.

It is my pleasure to be here with you today to have the opportunity to discuss narcotics production and trafficking in Asia. And equally important, if not more important, is the effects on us here in the United States.

With your permission, I would like to just summarize my prepared statement, and the prepared statement will be submitted for the record.

Mr. MANZULLO. Without objection.

Dr. BROWN. Over the past year, we have tackled and tracked an increase in the availability of heroin on our streets as a result of lower prices, greater purity, and bumper crops coming out of Asia, as well as South America.

It is imperative that we respond aggressively to this increase in heroin availability and heroin use on the streets of our cities. Our failure to do so will lead to increased health care and criminal justice costs, as well as an incalculable human cost.

I have held, Mr. Chairman, in my arms babies born to drug-addicted mothers. And I know firsthand the devastating impact that heroin abuse has on communities throughout our nation.

President Clinton's strategy to address the heroin threat is a targeted, comprehensive, and cost-effective way of addressing the problems of trafficking, production, and use and to prevent the spread of this deadly drug throughout our nation.

My office's quarterly review of national drug trends, a report we call the "Pulse Check," shows that high purity heroin continues to be a major drug threat in many areas of the country, particularly the Northeast and the South. Reports from New York, New Jersey, Connecticut, California, and Georgia, indicate that heroin is being purchased by younger users, under 30, as well as by those not traditionally seen in inter-city areas, suburban middle-class users.

Data from the Drug Abuse Warning Network, which reports on drug-related activities in our hospitals, shows a sharp increase in heroin emergency room incidents. Between 1992 and 1993, heroin-related episodes increased 31 percent, from 48,000 to 63,000 mentions. This continues to be a trend that began in 1990.

In addition, data shows that since the mid-1980's, there has been a substantial increase in reported admissions to treatment programs where heroin is the primary drug of abuse.

Mr. Chairman, here is the current worldwide heroin situation. Worldwide opium production has more than doubled in the last decade. Poppy growing areas are expanding in Afghanistan and the new republics of the former Soviet Union.

Heroin addict populations, particularly in Asia, are increasing. The cocaine cartels in Colombia are now shipping heroin into the United States.

And in the United States, higher purity heroin is being marketed in a smokeable form, thus avoiding the stigma associated with the use of needles and the consequences of contracting HIV/AIDS through injection.

Today at least 11 countries produce a total of 3,400 metric tons of illicit opium for the international drug markets.

Our recommended international heroin strategy has four major goals. First, expanding and intensifying contacts with foreign leaders to mobilize greater international cooperation against the threat of heroin.

Second, dismantling the illicit heroin trafficking organizations by prosecuting their leaders and seizing profits and assets.

Third, by treating heroin trafficking as a serious national security threat.

And, fourth, reducing the supply of heroin entering the United States.

Our proposed heroin strategy seeks to optimize our limited counternarcotics resources to carefully target those countries and the regions that pose the most direct threat to the domestic health and national security interests of the United States.

Approximately 60 percent of the heroin sold in the United States comes from Southeast Asia, particularly Burma. Our primary heroin control priority will be to reduce this flow. We will continue to employ a range of activities to address United States counternarcotics concerns without undermining other vital U.S. objectives, including efforts to promote political reform and reconciliation and curb human rights violations.

Fortunately, the Burmese regime is continuing to hold discussions with Aung San Su Kyi, who has been held under house arrest since 1989. We hope these discussions continue and lead to some accommodation.

I have recommended to the President, that the United States take the following steps:

First, to continue a general dialog with appropriate Burmese authorities regarding counternarcotic strategies.

Second, to exchange information with appropriate officials to support the use of unilateral counternarcotics operations.

Third, to provide in-country counternarcotics training to specialized units on a case-by-case basis, subject to the same safeguards observed in other countries in which the United States has a counternarcotics relationship.

And, fourth, to continue support for critical United Nation's regional narcotics control efforts that affect Burma.

In addition, China and Thailand should be encouraged to exert more narcotics-controlled pressure on Burma by emphasizing the regional threat of the heroin trade, while the United States will address increased heroin movement through China and Taiwan.

We have also recommended that support to UNDCP's subregional project be increased to reduce opium production and enhance regional cooperation. For example, Laos, with the help of the United Nations, has developed a comprehensive drug control plan that could serve as a model for other producing countries. This plan seeks to significantly reduce poppy cultivation and drug addiction by the year 2000.

In view of Afghanistan's importance as a major opium-source country, the United States has established the principle that assistance to major drug-producing areas should be in the context of a plan to reduce opium growing and processing.

We will encourage Pakistan to continue a serious effort to reduce production and increase investigative efforts of high-level trafficking.

The U.S. policy will continue to encourage Turkey's political will and commitment to improve investigative and prosecutorial capabilities, target well-established drug syndicates, and assist with the technical expertise required to undertake this task.

While initiatives included in our international heroin strategy will not require an immediate increase in funding, we have asked agencies and departments to make a realistic appraisal of their counternarcotic resource requirements for fiscal year 1996.

In light of the Appropriations Committee's decision last week to cut the President's request for the Department of State's Bureau of International Narcotics and Law Enforcement Matters for fiscal year 1996 by 47 percent and to reject a proposal to consolidate the ESF and FMF counternarcotics efforts within the State Department, in my view, it is critical that this Committee demonstrate its support for the President's international drug control strategy when the bill comes to the House floor later today or tomorrow.

The overwhelming proportion of our resources, programs and activities are directed toward reducing the supply and demand for cocaine in the United States, because cocaine remains the principal drug threat to us.

However, if the supply and purity level of heroin has risen, so has use. If left unchecked, these conditions can produce another drug use epidemic in the United States that will create more health problems, more drug-related crime and staggering social and economic costs.

Mr. Chairman, that concludes my summary remarks, and I will be happy to respond to any questions that the Committee might have.

[The prepared statement of Dr. Brown appears in the appendix.]

Mr. MANZULLO. Dr. Brown, Congressman Rangel just came in; and what I would like to do is—Charlie why don't you have a seat—is to take his testimony and then—you can just stay right there—and then when Congressman Rangel finishes, then we can just let the questions come.

Congressman Rangel.

STATEMENT OF HON. CHARLES B. RANGEL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW YORK

Mr. RANGEL. I really appreciate that, Dr. Brown. It is kind and generous. I apologize.

We are marking up the fast track for Chile at the Ways and Means Committee, but I hate people who always have something more important to do than to stay where they are testifying.

I ask permission for the Committee to put my entire statement in the record.

Mr. MANZULLO. Without objection.

Mr. RANGEL. I just want to say that I see no good reason why we cannot exercise the strong support for human rights in Burma as we have all over the world and yet take off the issue of cooperation as relates to drugs.

I do not think there is anyone more sensitive to the question of human rights in this Congress, but I just appeal to this Subcommittee to have some concern of the human rights of people in my district and throughout these United States that are seeing bumper crops coming out of Burma, where 60 percent of all of the opium which is now coming back, not in the repugnant way of injections, which we have somehow overcome because of the threat of AIDS and education, but smoking this to sustain the length of crack, which, as you know, is responsible now for 80 percent of the people who are in jail, coming from the inner cities.

I think we ought to beat up on countries that do not understand how important human rights are to us. We should do it in China.

We should do it in North Korea. We should do it in North Vietnam. And I am not even going to list the rest of the countries, as I go back to my Chile fast track, that we have serious concerns about their lack of appreciation of the democratic process.

But let us protect America. The Thailand-Burma border does not exist; no more than a US-Mexican border exists.

The Burmese, in my opinion, are trying to embarrass the United States by making offers of cooperation that they know we are not going to accept. And they do not mind saying: Well, if drugs are important to you, it is important to us; but your government will not talk to us; there is no Ambassador over there. And, in my opinion, even our drug enforcement officials are being embarrassed by the State Department.

I do not think that this administration, or any administration before it, has really made a commitment to the war on drugs. There is something that when you get to foreign countries that we believe that—whether it is protocol or whether it is apples and oranges—that you just cannot talk to them candidly about the great damage that is being done to our country.

Sure, we should educate our people. Sure, demand reduction is really the answer. We must protect our borders and law enforcement. But we cannot ignore people who ignore international law and what is just sound moral judgment, which eventually corrupts their country.

I am asking you, please extend a hand of cooperation and not use human rights as an excuse to sever relationships that could cause the stoppage of hundreds of tons. We are not talking about \$5 bags. We are talking about almost the single source supply of heroin to this country, or certainly over 50 percent. The purity is high. They do not care how many people we catch in New York. Because it is in the streets. They are giving it away, trying to induce people to remember brand names. They are passing out free heroin on the streets of Harlem saying to buy this brand to establish a relationship between the drug dealers and innocent kids.

So I appreciate this opportunity. The Administration certainly can deal with the technical questions, but I do not see any common sense in saying that we are lessening our support for human rights by saying that we are cooperating in stopping those drugs from entering the United States of America.

[The prepared statement of Mr. Rangel appears in the appendix.]

Mr. MANZULLO. Congressman Rangel, do you have any time to take any questions?

Mr. RANGEL. I certainly will.

Mr. MANZULLO. Does anybody have any questions for Congressman Rangel?

Congressman Rohrabacher.

Mr. ROHRABACHER. Congressman, do you believe the Burmese regime is itself involved with drug dealing?

Mr. RANGEL. When you say "regime," there are about five different regimes fighting each other in an ever, ongoing civil war.

Mr. ROHRABACHER. The one that controls Rangoon who you want to cooperate with.

Mr. RANGEL. No. No. I truly believe that the drug dealers that have been out there as a part of the civil war against these people

have openly and have not disputed the fact that they are dealing in heroin to get the guns to overthrow this existing military government. The record is clear on that.

Mr. ROHRBACHER. You recognized earlier, and you have repeatedly recognized that the regime in Rangoon is a monstrous opponent of human rights and violates the—

Mr. RANGEL. It is the same thing we have in China.

Mr. ROHRBACHER. Right. Why would a regime that is so immoral that it murders its own people—why would these individuals not engage themselves in drug trafficking? Is that just because that is just too immoral for them?

Mr. RANGEL. You know, as a former Federal prosecutor, sometimes bad people and criminal people turn good because they have made as much money as they want, you know.

I do not think that we really have the time to evaluate the background as to why they are making a decision. I think we should test it. I think we should challenge them to produce.

And if we do not have the ability to find out if we are dealing with drug dealers—I mean, not that the CIA really just deserves our support out of hand—but somebody should be able to say that the very same people that for years have been saying “trust me,” are untrustworthy.

I just disregard out of hand the fact that we can separate our obligation to keep heroin out of the United States and our commitment for human rights.

Mr. ROHRBACHER. I do not think there are many people who disagree with you. I think the question that I am trying to approach is not the violation of human rights, which seems to be universally accepted that the regime in Rangoon is a violator of human rights and a despotic regime, probably one of the worse on the planet. But there are reports—as you know, I have been in the region many times and—

Mr. RANGEL. I know, because I have followed you into the region.

Mr. ROHRBACHER. Right. I have many sources of information there. And most of my sources of information suggest that the regime in Rangoon is right up to their eyeballs in the drug trade and that they have now—and in fact I just saw a report in a magazine that said that the generals from the SLORC regime are seen on golf courses in Rangoon with the major drug lords.

And the people who I have talked to all across the border there with Thailand and Burma and Laos indicate that where the SLORC regime troops are, there you will find the poppy fields and the distribution centers. Not to say that some of the opponents of the regime are not engaged in this. Obviously, they are.

But don't you believe that there is enough evidence against, for example, Al Capone to say: Well, yes, Al Capone is engaged in distributing illegal alcohol? Wouldn't you say that that would be true of the SLORC regime now?

Mr. RANGEL. I hope you do not want to get into how many times we have hired organized crime, our government has. I hope you do not want to get involved in how many times the Justice Department has used felons in order to reach an agreement.

Mr. ROHRABACHER. I think that was probably unsuccessful in the past, and I think your strategy of doing it in the present is probably—

Mr. RANGEL. Listen, we do not talk to the same people, right? All I talk with are the ambassadors, the Drug Enforcement Administration, the Central Intelligence Agency, the secretary that is charged with the responsibility.

Mr. ROHRABACHER. Let us ask the Secretary. Mr. Secretary—

Mr. RANGEL. And all I am saying is this—please, could I just respond?

Mr. ROHRABACHER. OK. Because I wanted him to answer.

Mr. RANGEL. And they believe that the United States of America can effectively have a two-track approach to this country and that we are smart enough to find out whether the people we are dealing with are more dangerous and more criminal than the people we are trying to stop.

I have that confidence in my government.

Mr. ROHRABACHER. Mr. Rangel, all I am suggesting—and, again, this is not a two-track problem. I am not suggesting human rights should keep us away—even though that would be enough for me—to say, maybe we should stay away from someone if they are murdering their own people, maybe we should hold off and stay away from them.

But that argument aside, the human rights argument aside, there seems to be evidence that this regime itself is in bed with the drug lords.

Now, Dr. Brown—

Mr. RANGEL. If I could—

Mr. ROHRABACHER. No, no. I want to get the Administration's official position while you are here.

So is the official position of the Administration that the Rangoon regime is free of this type of connection with drug lords and that we can cooperate with them on drug interdiction and stopping the drug flow?

Dr. BROWN. Certainly we hear the widespread rumors, but there is no strong evidence that the government itself, is involved in drug trafficking or directly profits from the drug trade.

That is not to suggest, however, that there are not individuals at a lower level. There would be evidence that would suggest that some of the lower-level officials are profiting from the drug traffic, many by turning their head, looking the other way while the traffickers carry out their business.

Mr. RANGEL. Even if you are right, though, even if you are right, even if we do not change our policy, if we took one step at a time, could you agree we should have an ambassador over there, somebody on the ground that we can talk to so that when you ask these questions and when we go over there, either separately or together, there be an ambassador there for us to talk with?

Mr. ROHRABACHER. Mr. Rangel, my position is that the best thing we could do for the people of our inner cities who are suffering under the drug trade as well as the people of Burma who are suffering under a repressive regime is to side with the democratic resistance in any way we can to overthrow the dictatorship and see

that Aung San Su Kyi, who was honestly elected, is able to become the leader of that country.

Any cooperation that we have that maintains the dictatorship in any way will mean the corrupt people are in power, and corrupt people generally deal with the drug traders as well as murder their own citizens.

Mr. RANGEL. I do not know your position on North Vietnam. You know, I fought the communists, and I do not like the Chinese communists. I do not like the Chinese North Vietnamese. I do not like the Chinese North Koreans. And so my commitment is against those bums that really persecute all people because they have the power.

But I have been convinced by my government, Republican or Democrat that the best way to get these rascals are to open up the door of trade and to be there.

And I tell you this: It does not make any sense no matter which side you are on to say we are not talking to them. I mean, when we designate Dr. Lee Brown and he cannot visit the country because of some cockamamie reason why we do not recognize them, like we did not recognize Red China, if you think the best way to handle this human rights thing is to deny our highest cabinet officials the opportunity to visit a non-existing political country, then we have to talk, you know, when we are not having hearings.

All I am saying is that, if you are right, let us work together and make them come up to the bar and prove what they are saying.

Between you and me, I do not trust them, I think they are lying, and I think they are embarrassing us by showing that they are more concerned about drugs than we are.

Every time I go, they have big mountains of drugs that they are burning. The DEA is there testing. Now I know that you do this when you know a congressman is coming. It is not the first time I have been worked.

But I think we can do a more effective job on checking on them by having a representative there, an embassy there, and you and I working together and saying: Well, this is what my sources say; next time you are there check it out, so that they never would think that you and I, as Americans, would have any problem at all in dealing with them.

Mr. MANZULLO. Mr. Gilman.

Mr. GILMAN. Well, I want to thank Mr. Rangel for being here. He certainly has some knowledge in dealing with these people.

But let me ask you, Mr. Rangel, in the past we have had recognition and we have had ambassadors and we have not had any success; so what would be the incentive now to do it? If we have not had success in the past, how do you anticipate more success by normal embassy relations?

Mr. RANGEL. It never entered my mind because you fail to say that that takes care of that.

There have been many offers—I do not know how genuine they are—that have been made by whatever you want to call this military regime.

In addition to that, it was my understanding that one of our dear friends that used to represent us in Hong Kong was the ambas-

sador at the time, and he said: "Hey, he is not going to talk with them." And we adopted that as our foreign policy.

It would seem to me that we have to have our diplomats determine what is in the best interest of the United States of America and what do we lose if we say that we are going to have one of our people on the ground to check out these people as relates to human rights, as relates to trade, and certainly as relates to drugs.

It seems to me that if you just close the door and say, we are not going to talk to you because we do not believe that you have been supporting human rights, that that is a loser. It may not be a winner to open up there. But, hey, if we send the right person there to let them know that we are serious, then I do not think that we can give up on the kids that are exposed to free drugs on the street and explain to them that we did it before and it did not work.

Let us try everything. The most important thing is—and I tell you, we are talking about hundreds of billions of dollars if you add up the cost of these guys going to jail just because of drug abuse, forgetting lost productivity.

Mr. GILMAN. So the theme of your suggestion is double tracking: Diplomatic attention on the one hand, and then narcotics on the other hand?

Mr. RANGEL. I hope we are not going to sleep at the wheel on Mexico, North Vietnam, North Korea, and certainly not China. I hope we let them know that our concern is democracy and support for it in this world.

I just want to put them on the list.

Mr. GILMAN. Thank you.

Thank you, Mr. Chairman.

Mr. MANZULLO. Mr. Kim, did you have any questions?

Mr. KIM. I have no questions.

Mr. MANZULLO. Charlie, I appreciate your stopping by. I appreciate your testimony. I do not think any other Members have any other questions, if you would like to excuse yourself, please feel free to do so.

Mr. RANGEL. I really appreciate this courtesy. And, again, I apologize to the Administration. And please do not let these guys off the hook saying that Congress would not allow them.

Mr. MANZULLO. Well, you notice that there are four Republicans here beating up on you.

Mr. RANGEL. The republicans used to be my friends.

Mr. MANZULLO. Thank you, Dr. Brown.

Let us see.

Mr. Gilman, did you have any questions that you wanted to ask of Dr. Brown?

Mr. GILMAN. Yes.

Dr. Brown, your study indicates that we are spending less on illegal drugs and yet all of the statistics show greater export to our country, greater imports of drugs—cocaine from the south, heroin from the east.

How do you account for the fact that the statistics show less expenditure while the product is overwhelming in the amount that is flowing into our country?

Dr. BROWN. There are essentially two reasons.

Number one, we have seen a rather substantial reduction in drug use in this country.

As you know from your service on the Select Committee on Narcotics that back in the decade of the 1980's, we had some 24 million Americans using drugs on a regular basis. By that I mean at least once a month. That is down to a little over 11 million right now. There has been a major reduction in the number of people using drugs.

In addition to that, the price is lower.

If you combine those two factors with a lesser number of users with lower price, we have seen a 23 percent reduction in the amount of money that Americans spent on drugs from 1989 to 1993. That is a substantial reduction.

I see that as an encouraging sign, something that we should build upon to get more people to stop using drugs to continue our efforts in interdiction as well as other things we are doing to reduce that number.

Mr. GILMAN. Well, is there a correlation between a lower price and the number of users? Are the number of users going up or down?

Dr. BROWN. Well, what we have seen over a period of a decade or so is that the number of users has gone down significantly.

The major problem that we see in the drug industry today is still cocaine. The major problem that has not been addressed by other strategies, the one that is addressed by President Clinton's strategy, is the chronic, hard-core drug user. That is about 20 percent of the drug-using population, 20 percent of those who use drugs in this country, yet they consume up to three-quarters of the drugs sold on the streets of our cities.

Today we have about 500,000 heroin addicts. And the remainder of the 2.7 million hard-core, addicted drug addicts are addicted to cocaine. So cocaine continues to be our problem.

But we do have a major concern about what brings us here today. When I was a police commissioner in New York City, I saw, at that time, back in the early 1990's, more heroin on the streets, lower price, high purity.

I saw that the drug trafficking organizations were marketing their product, as Congressman Rangel indicated, sometimes even giving it away with the objective of trying to get individuals hooked on the drugs so they will have a continuous source to sell their drugs to.

And so that is the major concern. We are trying to address this, as you know, Mr. Chairman, with a comprehensive approach by looking at reducing the demand as well as the supply.

I can recall many of our conversations where we talked about what we have to do. And you have indicated over and over again that clearly we have to deal with stopping the supply of drugs from coming into this country.

In this instance we are talking about the heroin problem. We have seen, as I indicated earlier, an increase in heroin on our streets. That is not to suggest that we feel that we have an epidemic of heroin. I do not think we have that.

But we have reason to be concerned. And that is the reason the President directed that we develop a new heroin strategy to address the potential threat of heroin in this country.

Mr. GILMAN. All right. So have we developed that new strategy yet?

Dr. BROWN. That strategy has been developed and has been submitted to the President. It is now being vetted through the process. And in a very short period of time we would hope to be able to have that.

The strategy, as I indicated in my opening remarks, calls for continuing, at an appropriate level, a general dialog with the appropriate Burmese authorities regarding counternarcotics.

It calls for an exchange of information, again with the appropriate Burmese officials, to support unilateral narcotics operations and provide for some in-country counternarcotics training to specialized units on a case-by-case basis and subject to the same U.S. standards and safeguards that we use in other countries, and continue to support United Nations drug control products, and narcotics efforts in Burma.

We think that we have to do something to deal with the problem, things that you and I have talked about, things that you have discussed with the Select Committee on Narcotics when you provided the leadership there.

As you know, Chairman Gilman, I visited Southeast Asia in preparation for making recommendations to the President. I have gone to places such as Hong Kong, Singapore, Malaysia, Thailand, Laos, and Japan.

But it is interesting to note that every place I went and we talked about the problem of some 60 percent of the heroin we find on the streets of the United States coming from Southeast Asia, primarily Burma, without exception all of our allies, people we talked to, indicated very strongly that you are not going to be able to successfully address the heroin problem unless you engage Burma one way or another.

So we brought this information back, and we went through an extensive inter-agency process to come up with the recommendations to the President.

This has been a complicated process because the problem is complicated. We have more than one interest in Burma. I am equally concerned about human rights. I am equally concerned about the problem of democracy.

But I am also concerned about the human rights here in the United States. Congressman Richardson testified earlier about his concerns. One of the things I intend to do at some point in time is to invite him to follow me to see the end of the heroin trail, to see the human rights violations on the streets of Harlem or South Los Angeles or here in Washington DC, see the misery and despair that heroin brings to America. That is a human rights concern that all of us must share. I know you share it. We have discussed this on more than one occasion.

As you know, Mr. Chairman, I started off as an undercover narcotics officer years ago, back in 1960. And my role was to pose as a narcotics dealer so I could purchase narcotics and then arrest those who were selling them. The problem then was heroin.

So I have seen first-hand, by living with drug addicts, how it can destroy individuals. Having served as police chief in Houston, Texas, I have received phone calls from mothers who were crying saying, "Mr.—police chief—my son went into my house while I was away and took all of my valuables and sold them in order to support a heroin habit."

I have visited hospitals and held in my arms babies that were born to mothers that are addicted to drugs. I have visited hospitals and treatment centers and talked to people who are recovering addicts.

Just recently I was in Boston and visited a treatment center where they are caring for HIV/AIDS patients and talked to the people there. And one young man vividly comes to mind. He had indicated that he was involved in using heroin, exchanging needles. Now he has AIDS, and he pointed out that the treatment program that he was participating in had helped him tremendously. And now he is free and intends to be productive for the rest of his life; knowing that he would not live for a long time.

Those are the real problems of heroin in America. These are the issues that we have to confront and face. And as I have been advised by all the people I have talked to, we can accomplish our objective without in some way dealing with the problem in Burma but not neglecting, not making subordinate, the concerns about democracy and the concerns about human rights.

Mr. GILMAN. If I might just ask one or two more questions, Mr. Manzullo.

Mr. Secretary, the tribe in Burma, the Wa tribe, grows most of the opium in Burma. The Wa have offered to start growing, for a minor amount of assistance, primarily rice products.

Is there any way we can deal directly with them to get them to stop production? Various agencies in our government said that the Wa are earnest in their proposal and can do what they were earnestly suggesting they want to do.

Dr. BROWN. Mr. Gelbard is going to be giving testimony on this issue.

Mr. GILMAN. Would you prefer we reserve that question for Mr. Gelbard?

Dr. BROWN. Yes, please.

Mr. GILMAN. When will the PPD be signed by the President? When do you anticipate it will be signed?

Dr. BROWN. Mr. Tony Lake and I have already transmitted our recommendations to the President. It is now going through the vetting process.

It is my expectation in a very short period of time that process will be completed by the White House, and it will be issued by the President.

Mr. GILMAN. How long has it been over there now?

Dr. BROWN. Just a matter of a few days.

Mr. GILMAN. Mr. Chairman, I would like to submit several questions for the record on the UNDCP study on the cost versus use and I would hope that you would be able to respond to that.

Dr. BROWN. We would be delighted to respond expeditiously, Mr. Chairman.

Mr. MANZULLO. Without objection.

[The questions and answers appear in the appendix.]

Mr. GILMAN. Thank you, Mr. Chairman.

Mr. MANZULLO. I have a couple of questions myself.

You said that—I think you misspoke. I just want to make sure the record is clear—when you said, you do not believe we have an epidemic of heroin in this country?

Dr. BROWN. We do not believe we are experiencing a new epidemic of heroin.

We do know that we have more heroin on the streets. We know that the purity is high and the cost is low.

We do know that we have more heroin users going to our hospitals with episodes of heroin problems. That we do know.

But there is no evidence to suggest that we have a renewed heroin epidemic in this country.

Mr. MANZULLO. Just a continuing epidemic?

Dr. BROWN. A continuing problem. More of an endemic problem rather than an epidemic problem.

Mr. MANZULLO. So you are not seeing a surge?

My understanding is that the purity quality is increasing and that users are taking to snorting and smoking as opposed to injection.

Do you believe that this is increasing, the usage of heroin?

Dr. BROWN. We conduct what we call a "Pulse Check," which is a quarterly check. We call people who are police officers, treatment people, or drug researchers, to get a real-time feel about what is going on.

Most of the research, as you know, is at least a year old. So the quarterly "Pulse Check" gives us a real-time indication about what is going on.

What we find is that there are a number of people that are younger who are using heroin, and they are snorting it or smoking it because of the high purity.

We also know that those heroin addicts have been around for a long time and are getting older, and as would be expected, they are using more heroin because of the purity.

But injection still continues to be the main way of using heroin. If we had a large number of first-time users, young users, using heroin, that is a reason to be even more concerned than we are right now.

Mr. MANZULLO. Is that happening?

Dr. BROWN. Not a large number. We have some of them. Some of that is happening.

We find that some people who traditionally use cocaine are now also using heroin because they do not have to use the needle. They can snort it or inject it.

Mr. MANZULLO. So, if your figures indicated that there was a large increase in first-time users of heroin, then you would say that that would be a new epidemic or a new wave of drug injection?

Dr. BROWN. We would certainly be on our way to one, because experience tells us that your first-time users, new users are more likely to introduce the drug to their peers. That is not the case with the old-time user. Many of them understand the seriousness of their problem, and they kind of take care of their own need and are preoccupied with supplying their own narcotic needs.

Mr. MANZULLO. Thank you for clearing that up.

Mr. Rohrabacher.

Mr. ROHRABACHER. Just a couple of questions.

First we will focus on Burma, but then maybe onto another source of heroin.

We hear a lot about SLORC, which is the regime in Rangoon. Their battle with drug producer Khun Sa.

How much of the market does Khun Sa control in terms of the opium-heroin market?

Dr. BROWN. We do know that 60 percent of the heroin that we see on the streets of the United States will come from Southeast Asia. The majority of that will come from Burma.

Mr. ROHRABACHER. How much of the Burmese drug trade does he control?

Dr. BROWN. Pardon me?

Mr. ROHRABACHER. Well, let me just note that my sources of information—it may be different than yours, but just imagine they are the same—suggest that Khun Sa now controls one-third of the illicit drug production in Burma.

The question is: Is this consistent with what—

Dr. BROWN. Well, with the information we have through the DEA, the heroin is a significant problem; we can look at the heroin that we seize in the United States and then determine where it comes from. And what we can do is determine that about 60 percent comes from Southeast Asia, with Burma being the major source.

Mr. ROHRABACHER. Let me cut to the chase, as they say. Khun Sa used to be the one who was known as controlling the entire drug trade in Burma. Now he controls about one-third of the drug trade in Burma.

And you say that we just have some incidental information but nothing solid that ties the SLORC regime to deals with drug traders in direct relationships with this drug trade?

Dr. BROWN. What I indicated is that there are widespread rumors about corruption in the regime. We have no strong evidence to prove that that is the case.

But I would also submit that any time that you have an abundance of drug trafficking, you are going to have corruption. Our information suggests that it is at the lower level, out in the regions where the drug trafficking and production control takes place.

Mr. ROHRABACHER. Let me give you another axiom, and that is any time you have a regime that murders its own people that there might be a high chance that they will also be corrupt, because despots also have a tendency to be corrupt.

When you do not have a free press, when you don't have an opposition party, you throw anybody in jail who complains, generally people will go toward a way of lining their own pockets when they know that they can get away with murder, why can't they also get away with dealing drugs?

And I believe that this is the one fact that the United States has not come to grips with and our good colleagues who are very highly motivated who have the opposite opinion just do not want to confront that basic truism.

However, Burma is not the only source of drugs. There is a new source of heroin for our country. And let me say, before I go on with this, that I personally believe that no matter how much we do try to control the supply, until the demand in our country is in some way affected, it will be almost impossible to get total control or even a high degree of control of supply, because you have people who are doing this for a profit motive. So it has to be a two-pronged approach. And, Dr. Brown, you have made that very clear.

And while I may disagree with you on the supply side, we probably have some agreement on the demand side.

But Afghanistan is currently in a situation where more and more poppies are being grown there, and it is becoming a greater source of the drug trade.

What we have here is political problems in Afghanistan and in Burma. These are not enforcement problems. These are political decisions.

This Administration—and I might add, probably the Administration before it as well—has not been able to make the tough political decisions concerning what to do about Afghanistan and what to do about the despotic regime in Burma.

So, frankly, if you look at the drug problem as either just a supply problem—which most people in authority are doing—really, if you look at it from that direction, is not the real problem that our government has not made the political decisions that are necessary to correct the political problems in Afghanistan and Burma?

Dr. BROWN. Well, I would certainly agree with you that it is more than a supply problem. That is the reason the President's 1995 National Drug Control Strategy has as its over-arching goal the reduction of the consumption of drugs in the United States.

That is the reason we placed a much greater emphasis on prevention and education and treatment. Yet we do not treat supply and demand as being competing entities.

Mr. ROHRABACHER. I would add one word that the Administration has not looked at, and that is "deterrence." And the Administration has not looked at deterrence—but that also affects supply.

But in terms of the main sources of supply—which we are talking about Afghanistan and Burma—in both cases, it just screams out at us, my goodness, there is a political situation going on in those countries which is permitting those people to be involved to such an extent of supplying these drugs.

I mean, am I off base on that?

Dr. BROWN. That is why I say there is a complexity of the problem we are attempting to deal with. It is not one where we can find an easy solution. Afghanistan does not have a central government. The question is who do you deal with over there?

I visited Pakistan and talked with the officials there about what goes on on the border, what goes on on both sides, the Pakistan side and Afghanistan side. And it is a very serious problem. We find that much of the drugs are being grown in the area of Afghanistan, processed in Pakistan, and then we find them in Turkey.

Mr. ROHRABACHER. By and large, in Burma and Afghanistan, the people who are engaged with growing—I know I am going over. Sorry. Thank you for indulging me—are, by and large, good people. There are some gangsters that buy drugs from farmers who have

no other way of providing any sustenance for their children than to grow these poppies.

Let me just note that in both Burma—as the Chairman has said—and in Afghanistan the good people of those countries are screaming out for help. They are crying for the United States: Give an option rather than dealing with these gangsters, and in Burma, where the government is controlled by a group of gangsters—nothing more than a group of gangsters, and in Afghanistan, where you have total chaos.

The United States—and I will close with this, Mr. Chairman—if we are to control the supply of drugs into this country in terms of heroin, we are going to have to come to grips with the dictatorship in Burma as a dictatorship and the chaos in Afghanistan.

And if we deal with those problems, we will be able to control the supply of drugs from those countries; but until then we will not.

Mr. MANZULLO. Dana, let me ask you a question. What are we supposed to do? Invade Burma?

Mr. ROHRABACHER. No. But perhaps in Afghanistan and perhaps in Burma we can be a force without sending American military troops.

There is no reason why the United States should not be supporting democratic resistance movements in countries, especially that are in the process of sending drugs to the United States.

The democratic resistance in Burma has been begging the United States for help. And with a little bit of help and with a goal of overthrowing the SLORC regime, might have been much more effective than in trying to deal with the periphery problems like this.

Mr. MANZULLO. Mr. Kim.

Mr. KIM. Thank you, Mr. Chairman. I would like to ask some questions, but I also have a written statement that I would like to ask unanimous consent for it to be included in the official record.

[The prepared statement of Mr. Kim appears in the Appendix.]

Mr. MANZULLO. Without objection.

Mr. KIM. I am not trying to criticize you, but after reading your recommendation, I have a concern when you are talking about continuing to have a general dialog, an exchange of information and providing counternarcotics training.

I would like to see stronger measures, even though I offer no suggestions—on perhaps—well, there must be buyers or otherwise there is no way that heroin can come to this country, only if there are buyers.

Is there any way we can have some kind of sting operation to find out who the buyers are and all the suppliers can also be prosecuted in this country instead of sending them back so we do not have a revolving door situation?

Don't you have any real strong measures instead of just continuing dialog and counternarcotics training, et cetera? Give me some strong suggestions rather than just this continued dialog, et cetera.

Dr. BROWN. Well, we would certainly be open to receiving any suggestions that you have.

I might just add that the recommendations that we submitted to the President went through an extensive inter-agency process. This is a complex issue. It is not simple. We are talking about govern-

ment. We are talking about democracy. And we have to be concerned as a government about human rights violations. We have to be concerned about democracy.

But we also to have to be equally concerned about the counternarcotics problem that exists here. And so, as a result, we have made recommendations to the President to enhance our efforts in Burma to address the problem.

That is not the only thing we will be doing. Clearly, stopping the drug trafficking organizations continues to be key to what we want to accomplish, if we can dismantle the organization.

Addressing the problem here in the United States, I have to be concerned about someone who has spent their whole career here in Washington, about what happens on the streets of our cities, concerned when I walk through the neighborhoods in any major city in this country—and increasingly our suburbs and rural areas—by the fact that the drug dealers are creating serious problems with the quality of life in those neighborhoods.

I have to be concerned with most major cities where you cannot park your car without coming back and finding that some of the component parts have been stolen so someone could support their heroin habit.

I have to be concerned with the fact that violence takes place as a result of the drug trade.

So when we talk about addressing Burma, it is not a favor to Burma. This is something to help Americans who are the sufferers of the problem that occurs in Burma. This is an issue that we must do for the benefit of our children, our future.

Mr. KIM. Well, Dr. Brown, let me readdress this. By the way, excuse my voice. I had a throat operation.

Dr. BROWN. Oh.

Mr. MANZULLO. You sound like Charlie Rangel.

Mr. KIM. Seems like all the famous politicians have a little throat problem.

Sure, we can blame other countries that are supplying these drugs and go around blaming everybody. There is Vietnam and all the other countries involved, and then there is human rights, et cetera.

There is no opportunity to assault this problem unless we go over to their country and try to overturn their government or some other necessary action. It would be a huge task for us, and the cost would be outrageous.

But isn't it better to focus our control here—letting them come in and apprehending them through a targeted policy rather than a broad and general one? I do not know what we are trying to do.

What do you mean by training counternarcotics? I do not understand what the result would be. After we train them, how long do you think it is going to be before they turn around and go after drug trafficking? They might use that new skill against their own people.

Is that a wise investment?

And what do you mean by continuing dialog and exchanging information? Can't you think of anything better than this kind of general soft approach? We need something really stronger.

Dr. BROWN. Let me use an analogy. A number of years ago, based upon the cocaine problem in this country, we went into the South American countries and started working with them.

We started providing training to their police officials so they could go out and make an arrest without brutalizing, without violating the human rights of their citizens.

And now we find major progress as a result of this country's efforts in the Latin American countries.

I think the same thing can occur here. What we find happening all too often is that an investigator is not trained. When someone gives an order to go out and get someone, they will go out and get that person without an appropriate investigation because they have not been trained in how to do so. And getting that person may result in the death of the person they are going to get. Why? Because there is no respect, no professionalism in their institutions. We want to be of assistance in doing that.

It is also important, if we look at our experience in Latin America, to remember that we made progress. We have seen, for example, that it works to improve the institutions in those countries including their law enforcement agencies. We were recently able to announce the arrest of the head of the Cali cartel.

So this is the beginning. We do not view this as being the end all for our efforts in Burma.

But I do agree with you that we must continue to do all we can here in the United States. In fact, if you look at the President's 1995 Drug Control Strategy, most of our efforts go to domestic enforcement, prevention, education, and treatment and interdiction at our borders.

What I mean is, this is not going to be an issue that is going to be resolved over night. What we are going to have to have is a strategy that is comprehensive and balanced, but equally important there must be sustained resources in order to implement the strategy.

I believe very strongly that if we were able to find what we are asking for here, both domestically and in our international programs, we could ensure some results. It is not good to have a good strategy and not have the resources to implement it. And so if we look at the drug problems in America, it is not so much of whether we can do demand reduction or supply reduction, we have to do both.

As we indicated in the President's strategy, these are not competing entities. Our strategy is to place a greater emphasis in the source countries.

If I can use it as an analogy, we are concerned about the hornets thriving throughout our communities. We are better off going to the hornets' nests and stopping the problem there rather than waiting until it spreads beyond the community.

The same thing is true when we talk about interdiction. We are better off in the source countries, which is the policy of the Administration, and stopping the problem at the source.

The problems we are experiencing today, referring to the heroin problem, are complicated by the governments in Burma and Afghanistan. And, thus, we have to have a strong beginning, to be

sensitive to all the other foreign policy issues that we have in Burma: democracy, human rights, as well as counternarcotics.

I am convinced that we can do all of those things. Just as we are concerned about trade with China and being able to implement a favored nation relationship with China knowing we have human rights violations. I am convinced that we can implement what we are recommending to the President, programs to address human rights violations in the United States in the form of drug addiction and crime and violence and misery and despair that is all too often dealt with on the streets in our cities; and at the same time respect democracy and human rights.

That is our objective. Our objective is to have a beginning, because what we have been doing over the last 7 years is not making a difference. If it is not working, let us do something different in order to make a difference.

And that is our proposal to the President.

Mr. KIM. I am just a little concerned that it's Burma today. Tomorrow, it will be some other country. I mean, as long as there is a demand and buyers, it will continue.

How are you going to control this thing? I think we should really focus while continuing to have strong measures on human rights and all the other broad, general policies that I have been concerned about.

Dr. BROWN. If you ask how the President's strategy differs from previous strategies, we are placing greater emphasis on requesting more resources to go to reducing the demand for drugs.

I speak to you as a career law enforcement officer. When I was the police commissioner of New York City, we would arrest up to 100,000 people every year just for narcotics violations alone. That is a number that is bigger than the population of most cities in America. But did we make a difference? No, we did not.

I am convinced, as is the case with most police officials in this country, we have to try do something different. That is why one of the major initiatives in our National Drug Control Strategy is to fund treatment slots in order to treat the chronic, hard-core drug user population.

If we had, as we do have in this country, 20 percent of the drug users consuming three-quarters of the drugs, it makes good sense to focus on the drug users.

The only way I know to do that, which is in agreement with your proposition, is through a treatment program. And it works.

In your state, for example, the State of California funded a treatment program for 1992 and invested \$209 million and after 1 year, they saved the taxpayers of California \$1.5 billion. That is a pretty good investment.

The RAND Corporation looked at all the modalities for addressing the drug problems in the United States. How best can you reduce the use of drugs? They came out with the conclusion that treatment is the best way to reduce drug use in this country.

We are now concerned, because we are seeing, Mr. Chairman, our young people using more drugs—particularly marijuana, which is not the object of this discussion, obviously—but all of our hard-core drug users were at one time casual users. Younger people are now using more drugs, and have more liberal attitudes about drug

use. And that is why we are requesting more funds for prevention programs, to stop the first-time drugs users.

All of that is to say that the President's 1995 National Drug Control Strategy is a comprehensive approach. We want to reduce the demand for drugs, prevention, education, and treatment, while at the same time attacking the supply of drugs through aggressive enforcement through interdiction at our borders and our ports.

But equally important would be our international programs. And that is why I am greatly concerned to ensure that we get adequate funding for that. And we certainly request your help in addressing appropriations for that funding.

Mr. MANZULLO. Let me bring up a point. When the International Relations Committee considered the request to fully fund the International Narcotics Account at \$213 million, it was Mr. Obey, a Democrat, in the Appropriations Committee that led the charge to help reduce that account.

Dr. BROWN. That is why we need your help.

Mr. MANZULLO. But we did that last year also because the President had cut back on the number of INS, FBI, and DEA agents. The Republicans worked very hard on the Commerce, Justice, and State Appropriations bills and added back the money on it.

You know, I appreciate what you are doing, Dr. Brown; but I take umbrage with any suggestion that the Republicans are holding back on the financial resources to fight this drug problem in this country.

Dr. BROWN. Well, if you recall—

Mr. MANZULLO. I just wanted to let you know that I worked very closely last year with the DEA. They are doing a tremendous job around the Chicago and Rockford, Illinois areas. It is an extremely high priority.

What I would also suggest is that one of the greatest incentives to stopping this is what Judge Reinhart of Rockford, Illinois was doing. He had a bunch of those guys in his court. Half of them got life. One was a 20-year-old man. And he said that: If I had known that I would be able to get life imprisonment because of dealing with drugs, I would not have been involved.

That was the headline of the Rockford newspaper, and that is what has to get out there. These bums are going to jail. They are going there to be locked up for life, period. We know who they are. They were roaming the streets.

I would just leave you with Judge Bonner's quote, who is, as you know, the former director of the DEA and has done a tremendous job there, according to his records—and this is a tribute to professional law enforcement officers, who are non-political, such as yourself, who have been involved in this for years, who have an intense passion to make sure that the children of this country are not killed by the drugs that are coming from overseas and domestically. His perception has showed that between 1985 and 1992 there had been a substantial reduction, from 5.8 million in 1985 to 1.3 million in 1992, in marijuana users.

That may have been true for that period of time. This, again, does not depend upon who the President is. But, unfortunately, I understand that there has been an increase in the use of mari-

juana by young people that started probably around 1990 or something like that.

Dr. BROWN. Just one observation, Mr. Chairman. One of the things that I think is important for all of us who are concerned, such as yourself, is that this is not an issue that is a Democratic issue or a Republican issue. This is an American crisis. This is an issue that has an impact on Americans all over the country. No state, no county, no city, no township is immune from this problem.

Just in response to one of your observations, the President's budget request was cut by the Congress—\$300 million from Defense and \$200 million from State. So it is a half a billion dollars that was cut from our programs.

So in terms of my observation about what we need, it is not stated in partisan terms. We need the support of the Congress. We need your continuous support to give the State the funds necessary to carry out our mission. If we do not, we are going to continue to have hearings such as this talking about a very, very serious problem for this country.

You know, as well as anyone in this room, that the drug problem prevents us from having the things we want in life: family and community and work. They are all impacted negatively by the drug problem.

What we have to do right now is get ahead of the heroin problem before we do have the epidemic which we just talked about earlier. We can get in on the ground floor. But for us to be able to do so, we have to have, first of all, a sound strategy; and I think by working with all the government agencies in the Federal Government, we have that strategy. What we must have right now would be the funding.

Mr. MANZULLO. We are doing that, Dr. Brown. But it was not the Republicans that decimated your staff.

Dr. BROWN. Well, that is the point I am making. This is not a partisan issue.

Mr. MANZULLO. I understand. The sword goes both ways. Let me just assure you of my continued commitment in whatever areas there are. And we have worked with the agencies in the past to try to get the funding that is necessary. But, you know, sometimes getting extra money is not the answer. It is really just that we are reallocating the resources.

You have been very patient, Dr. Brown. I appreciate what you are doing for this country. I appreciate the passion that you have, especially for the children.

Dr. BROWN. Thank you. And I will call on you for your continued support for our efforts.

Mr. MANZULLO. Thank you.

Dr. BROWN. Thank you, Mr. Chairman.

Mr. MANZULLO. Let us have Mr. Gelbard and Mr. Greene. If you could please come to the table. And forgive us for taking so long, but there was a forty-five minute vote, where both Republicans and Democrats voted.

Mr. GELBARD, please.

STATEMENT OF HON. ROBERT S. GELBARD, ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL NARCOTICS AND CRIME, U. S. DEPARTMENT OF STATE

Mr. GELBARD. Thank you, Mr. Chairman.

It is a pleasure to follow Dr. Brown to the table and appear today with Steve Greene to discuss the Asian heroin threat and our policy to combat it.

This is my first appearance before this Subcommittee, and it comes at an auspicious time. We face a dangerous heroin threat, as we have been discussing today, something which the President and his Administration takes seriously.

Asian heroin is killing more Americans today than ever before. As you have heard, Mr. Chairman, we are developing a new strategy; and with the Committee's help, we hope to get ahead of this threat before we do face a crisis.

Mr. Greene and I have just returned, late last week, from a trip through Southeast Asia, my second visit to the region in a little over a year.

We met with senior officials from four countries and Hong Kong. We made a comprehensive assessment. I have addressed the overall Asian drug situation in detail in a prepared statement which, if you will permit me, Mr. Chairman, I would like to submit for the record.

Mr. MANZULLO. Without objection.

Mr. GELBARD. Thank you, sir.

I would like now to highlight briefly the threat—the key findings from our trip and the steps we have planned to implement the President's policy.

Mr. Chairman, we face, as has been discussed today, an extraordinarily complex challenge. In many ways, the international heroin trade is a greater challenge than we face from cocaine because of its global nature.

Worldwide illicit opium production has risen, and it now grows in no less than 11 countries, of which we are aware.

There are few political or enforcement constraints on production. We lack access. Over 70 percent of the cultivation occurs in areas of Burma and Afghanistan where we and other governments have little or no influence.

Heroin refining is spreading. Trafficking networks are proliferating faster than authorities can keep pace. And we are concerned about the spread from Southeast and Southwest Asia to China, the new central Asian republics of the former Soviet Union and Eastern Europe.

Worldwide consumption is also increasing, especially in the opium-producing countries themselves, creating even more incentives for production.

Mr. Chairman, this trend has been unfolding for a decade. As Dr. Brown pointed out, we are now beginning to feel the consequences at home of cheaper, purer, and more deadly heroin on our streets.

It is killing our citizens. It has also eviscerating and corrupting political and economic development throughout Asia but also elsewhere.

This is a familiar problem for your colleagues on the Western Hemisphere Subcommittee. Asian heroin traffickers are distorting

political and economic power just as cocaine traffickers have done in Latin America.

In Pakistan, Thailand, and elsewhere, they are penetrating political parties, the judiciary, and other democratic institutions.

We presently have the best opportunity in a long time to confront these challenges and reverse these trends. The end of the cold war and growing international awareness of the heroin menace offer a chance for access and cooperation.

Since we have been discussing Burma so much, if I may, I would like to say a few words about the situation there.

As producers of nearly two-thirds of the world's illicit opium, Burma dominates the global heroin trade. It is the principal source of heroin for the U.S. market and is also governed by one of the world's most brutal and repressive regimes.

For almost 7 years, the United States has joined the rest of the world in demanding fundamental change in the Burmese Government. We must continue to do so. I do not advocate any action that undercuts our democracy and human rights goals in Burma. But I do emphatically advocate an aggressive counternarcotics approach, compatible with a vigorous democracy and human rights policy.

That is something we are currently doing in other countries around the world, including, for example, Nigeria, which is a very similar situation.

Here is what we will be doing in Burma. First, we intend to continue our just-begun in-country training program for carefully selected Burmese counternarcotics agents.

This will raise the government's responsiveness to the narcotics problem while creating a cadre of trained anti-drug officials.

Second, we want to continue our exchange of law enforcement information to support Burmese counternarcotics operations, particularly against Khun Sa and other drug leaders.

Third, we want meaningful crop control and eradication. We call upon Rangoon to press the ethnic groups with which it has political accommodations to undertake vigorous eradication operations.

Fourth, absent a major setback of human rights, we intend to increase our existing support for U.N. Drug Control Program administered regional alternative development projects aimed at looking for eradication.

Finally, we continue to encourage Burma's neighbors to work with us to increase pressure on the Burmese regime to intensify counternarcotics efforts.

Mr. Chairman, this represents a modest start in Burma, but it represents forward momentum rather than stagnation. It does not compromise our human rights policy in Burma. But it also does not compromise the rights of our own citizens to be free of heroin.

Our Burmese initiative alone is not a panacea. Progress will take time, and we must be able to deal with other fronts against other threats. There are many countries in Southeast Asia that want to work with us, and this message was repeated at every stop on our recent trip.

In Laos, drug control trends are generally encouraging. Opium production has fallen steadily since we initiated a crop control pro-

gram in 1989. Laos is improving its law enforcement efforts to stop heroin production and trafficking.

The Cambodian Government, a new fragile democracy, told us that they wanted to do more. They are aware that their country is trafficking throughout Southeast Asia, but they have virtually no resources to confront these threats. They are asking for basic training, equipment, and advice. And they give every indication that they will put it to good use.

I not only promised to work with them, our first DEA run and State Department financed course just began last week to train their counternarcotics personnel.

The same thing in Vietnam. We put them on our drug certification list last year for the first time, because they are now a major producer and transit country. They openly admitted their drug problem. They now are working well with DEA and are clearly prepared to undertake vigorous narcotics control efforts by themselves and with us.

Thailand is a special partner. It is our oldest counternarcotics program in Asia and remains the key trafficking center in the region. Our programs are changing to reflect new realities.

Now that Thailand is no longer a major opium producer, due to cooperative programs that have resulted in major eradication, the focus is on enforcement.

The recent arrest of 10 major traffickers associated with Khun Sa reflected this. Senior Thai officials want these traffickers extradited to the United States soon, as we have asked.

But we must be careful. Just as happened in South America, drug traffickers will do what they can to thwart United States and Thai Government efforts.

Finally, Mr. Chairman, a few brief comments about Southwest Asia.

This region continues to pose a significant threat, even though very little of the opium and heroin produced there arrives in the United States.

Opium production in Afghanistan, already the world's second largest producer, soared nearly 40 percent last year, causing the President to deny certification to Afghanistan.

Pakistani traffickers control much of the Southwest Asian international heroin trade. In 1994, the Pakistan Government did not do enough to fight it. Consequently, and for the first time, President Clinton did not grant them full certification, issuing them, instead, a national interest certification.

The good news is, as a result of this, it has been a kind of wake-up call, and Pakistan is turning its cooperation around.

I acknowledge before this Committee, the fact of its improved performance. Since January, it has extradited three major traffickers to the United States, frozen millions of dollars of trafficker assets and begun significant poppy eradication in travel areas. I believe this is due, in large part, to the certification process.

Progress in Afghanistan, where there is only a nominal government, will be tougher. But we cannot ignore this threat. We will continue to work increasingly through multi-lateral organizations that have some degree of access and influence where we do not.

We want to work with the United Nations, with NGO's, and multi-lateral development banks, such as the World Bank. The banks, in particular, have considerable funds available for alternative development programs and judicial reform programs that promote narcotics control.

I have met several times with senior bank officials; and they are now, for the first time, supportive of doing this.

Mr. Chairman, I have briefly outlined the nature of some of the threat, and I have outlined the strategy. Every Member here is deep into making tough budget decisions, as you were just commenting. So did we when we submitted our fiscal year 1993 request for \$213 million that you mentioned for worldwide programs.

This, in fact, in its consolidated form, contains funds to support all of our efforts worldwide, including our new global heroin strategy. This is not just what we want; it is really what we need.

This Committee has been a tremendous supporter over the years, and we appreciate the support for full funding that the Committee gave us in the authorization legislation. We would hope that you could also support us on the floor later this week.

Thank you very much, Mr. Chairman.

Mr. MANZULLO. Thank you.

Mr. Greene.

[The prepared statement of Mr. Gelbard appears in the appendix.]

STATEMENT OF HON. STEPHEN H. GREENE, DEPUTY ADMINISTRATOR, DRUG ENFORCEMENT ADMINISTRATION

Mr. GREENE. Thank you, Mr. Chairman. If you will allow me, I will submit also a formal statement for the record.

Mr. MANZULLO. Without objection.

Mr. GREENE. And, bearing in mind the time, and after hearing the opening remarks of the Assistant Secretary Gelbard and Director Brown, I will drastically shorten even my opening remarks because I think they both adequately expressed the measure of the problem and our strategy against it.

But as you have heard here today, all the indicators are bad: The price is down. The purity is up. I will just show you. There is a chart right there on the purity in most of our major cities. Two years ago, we were looking at street level purities of about 7 percent.

Maybe if you could just throw one more chart up there, I will show you now what it is in New York and how far it has come in just 10 years.

The price is down. Purity is up. Across the board, it is about 40 percent.

Number of users of heroin, let me just say it is not an epidemic. But as a law enforcement official, there are far more people out there using heroin than this country needs. I would say there is an alarming number of people using heroin.

There are new players on the stage. You have heard about them from Ambassador Gelbard. They are engaged in it. They are moving the multi-kilo amounts of heroin into this country, and it is all at 90 percent pure levels.

What are we doing in response to this challenge? We are doing what DEA has always done very well: We are going after these major trafficking organizations. We have many of them identified. The one case that was just mentioned here, we, working with our Thai counterparts, identified 10 of Khun Sa's major members of his organization. They are currently incarcerated in Thailand and hopefully they will be extradited to the United States.

We have gone after major traffickers in Pakistan. We have had them identified. One of the major ones was just the subject of a 102-count indictment in New York. The Pakistanis are allowing the extradition of him to the United States.

So there has been some progress.

I would summarize everything I have heard here this morning about Burma, other source countries, and give you a law enforcement perspective of what I think we need if we are going to have a successful strategy.

And that is, we better have some meaningful eradication.

Second, there better be meaningful incarceration of the major violators. I personally do not care where, be it in the source country or be it in the United States; but we better have it.

And, third, we need to have a meaningful dialog with these source countries. And I would say that is our opinion about Burma. Two-thirds of the world's opium is produced in that country. We must find some way to allow us to deal or talk with the authorities in that country that are responsible for drug suppression activities.

And this is my opinion, or DEA's opinion, that if we do not do this that our drug suppression activities in this part of the world are not going to be very successful.

That concludes my remarks, Mr. Chairman.

[The prepared statement of Mr. Greene appears in the appendix.]

Mr. MANZULLO. Mr. Greene, the DEA does have a presence already in Burma, is that correct?

Mr. GREENE. Yes, sir, we do.

Mr. MANZULLO. What is the nature and extent of that?

Mr. GREENE. Approximately three special agents, working out of the embassy.

Mr. MANZULLO. And they are working with the Burmese Government, to the best of their ability, at this point?

Mr. GREENE. Yes, sir. I would describe their ability to do that as very carefully. There are restrictions on who we talk to, who we work with. And we do it very gingerly.

Mr. MANZULLO. Did you see the article that appeared in today's *LA Times* on the new U.S. policy toward Burma?

Mr. GREENE. No, I have not read it.

Mr. MANZULLO. Well, essentially, it says that we are going to engage Burma as opposed to trying to ignore them because of human rights violations.

But what more would be done with the President's new policy? Mr. Gelbard, if you wanted to answer, that would be fine.

Mr. GREENE. I would defer to Bob. We do have limited contact with Burmese authorities, but they need to—when we pass them information, they are going to need more training if they are going to effectively do something with that. They are going to need some equipment. If they are going to do something about the information

that they pass us or the information we receive from them, but I would defer to Bob.

Mr. MANZULLO. Could you explain?

Mr. GELBARD. Mr. Chairman, frankly, if I could just step back 1 minute. As I said, I had the benefit of hearing the discussion with previous witnesses and other members of the Committee who were discussing this.

One thing that I think really needs to be said, the drug business is a dirty business. There is no question about that. There is a lot of money involved. It corrupts people. It corrupts governments. It corrupts officials in our own country. We have seen that extensively. In fact, I was just asked at a press conference about an article in the Los Angeles Times about an investigation of U.S. Customs officials in California.

The problem that we need to solve is how to be able to walk this very tricky line of being able to help our people and prevent our people from being corrupted and addicted, while at the same time trying to make sure that we can work with the officials that we need to work with in order to be effective.

In Peru right now, we have serious problems with human rights violations. Most recently president Fujimori in Peru issued a decree in the dead of night that was approved by his congress, a blanket amnesty for all human rights violators in the police and military.

Should we back out of trying to cooperate in a country that produces two-thirds of the world's coca? I do not hear anybody saying that. And I do not think we should.

Nigeria, as I mentioned, is a virtual parallel case to Burma. Peru is a democratic government. Nigeria is not. It is a highly corrupt military dictatorship. Yet we feel—DEA, State Department, everybody in the government—that we need to be engaged to try to have a dramatic affect on drug trafficking organizations that are based in Nigeria that have worldwide affect, including, on heroin.

But this is a difficult problem. We feel that we have to be able to continue a policy of strong support for human rights and democracy while at the same time thinking about our own interests of preventing drug use in our own country.

In that regard, we have had extremely limited and often no involvement in counternarcotics in Burma since the SLORC took over in 1988. It has not produced better performance. It has produced worse performance.

What we want to be able to do starts with, as Mr. Greene said, going to the real force, opium poppy cultivation. We have been working with the United Nations already to try to develop some U.N.-run programs that would try to bring farmers in the ethnic minority areas away from opium poppy cultivation—particularly the ethnic minority regions that are not under government control in Burma—and concomitantly get them to eradicate the poppies.

Chairman Gilman asked before about the Wa area in particular. That is the area that we are discussing right now with the United Nations because we believe that significant area of opium poppy production and some Wa leaders, at least are saying, that with some development assistance, they will eradicate the poppy crop and move away from it completely, just as I have mentioned we have had some success in northern Laos.

Mr. MANZULLO. Does that have the concurrence of the Government of Burma? Are they willing to go along with that?

Mr. GELBARD. We believe they will go along with it as they have, but no money would go to the SLORC. The United Nations would sign an agreement with the SLORC that the money would be disbursed and the projects would be managed directly in the ethnic minority areas.

And that is something we feel has to be of the highest priority.

Second, we are already just beginning to provide some training for counternarcotics forces in Burma. There has been one DEA-run, State Department-financed training program for counternarcotics agents.

And we are intending in August to begin a similar kind of training course for Customs officials. For example a Senegalese, I believe it was—excuse me—Sierra Leone national who was just arrested in Rangoon carrying a significant amount of heroin trying to leave the country, several kilos of heroin.

But we need to try to step this up a little bit. We want to implement an opium yield survey that we have begun through the Department of Agriculture and the Burmese authorities.

We want to begin more information sharing, testing the SLORC; and let them know we were testing them to see what kind of effectiveness we get as we supply them with actionable intelligence about drug trafficking operations.

We would like to work with non-governmental organizations, particularly along the same lines as we have begun to do with the United Nations.

But gradually we want to see what level of effectiveness we have, trying to develop parallel track of policy, while not neglecting in the slightest our human rights and pro-democracy programs.

Mr. MANZULLO. Mr. Kim.

Mr. KIM. Thank you, Mr. Chairman.

This is a frightening feeling, listening to the testimony today and also looking at the chart. I am concerned that what you are doing is not correct, even though we do have some success here and there. We are trying to stop this huge flood with sand bags here and there.

Let me give you my thoughts. You already mentioned the U.N. Last year alone, we spent almost \$3.2 billion on U.N. peacekeeping missions. Some of the missions are questionable, like Somalia.

Why can't we have the United Nations set aside those funds specifically for drug fighting, perhaps a separate branch instead of peacekeeping? Maybe set aside some of that budget. Then it becomes a U.N.-driven anti-drug fight even though we take the leadership.

We are talking about it being an international issue and very sensitive issue in some areas when we go into other countries and ask them to give us permission to get into their crop field. Perhaps we may do some more dramatic actions, like bombing the crop fields as a U.N. anti-drug mission.

Isn't it better to look into the United Nations leading instead of the United States trying to stop the whole world?

Isn't it—not only for us, but also for European countries, and perhaps some other industrial nations—a problem not only for us

but all of us? Why do we have to take this burden alone? Why can't the United Nations do it together with us?

Mr. GELBARD. Well, first, Congressman, that is exactly what we are doing. The U.N. drug control program is a multilateral organization. It receives funds both from the regular U.N. budget as well as voluntary contributions.

We, the Europeans, the Japanese, Australia, and other traditional major donors are major actors, particularly in Southeast Asia.

What we want to do is look at supporting what the United Nations is doing in significant part because they do have a way of leveraging more funds beyond just what we might do on our own.

So that is why we are trying to support the U.N. efforts in Burma, but also in Laos, in Vietnam, and elsewhere throughout the world.

We try to be careful, particularly to look at programs that we consider to be particularly in our interests where we want to make voluntary contributions. This is an area of tremendous concern to the Europeans, in particular; and they do play a very strong role.

In the annual meeting of the U.N. Drug Control Program, the Commission on Narcotics Drugs, where I am the U.S. Representative, in March, we in fact discussed putting more emphasis particularly on Southeast Asia. And the head of the U.N. program, Giorgio Giacomelli, is now seeking funds for that U.N. effort.

So we think this is a worthwhile program. However, we do not feel that that necessarily means that the United States on its own should be backing away from the areas where we have a particular comparative advantage.

The DEA and other U.S. law enforcement agencies are particularly skilled and are really among the best in the world, maybe the best in the world, at developing cooperative arrangements with a view toward destroying drug trafficking organizations, just as we did most recently now in Colombia where United States and Colombian joint efforts have resulted in the capture or surrender of some major drug traffickers.

Mr. KIM. Well, a lot of my colleagues have been telling me that they have questions about the U.N. mission and perhaps wish to get out of the United Nations. Maybe this is a good idea to refocus the U.N.'s mission.

Do you have a problem with Congress taking the initiative and maybe drafting a resolution to demand or to request the United Nations to set up a separate mission for drug fighting equivalent to the peacekeeping mission? Do you have any problem with that?

Mr. GELBARD. To the contrary, sir. We support the fact that there is already a good, solid U.N. drug control program.

One of the reasons we have requested the \$213 million in our budget is so that we can support this U.N. program. But Chairman Gilman and I have discussed previously our need to continue to support this U.N. program in a strong way, and we hope to do that with the funding we have requested from the Congress.

Mr. KIM. After all, we pay almost one-third of the entire U.N. peacekeeping mission costs. And I think it is fair for us to ask them to participate and take the leadership role instead of spending more money than they are supposed to do.

Mr. GELBARD. I might point out, too, that in Cambodia, where the United Nations played an outstanding positive role through the U.N. mission in Cambodia in helping to put together the possibility for a free and fair election that has resulted in a democratic government, that government, as I mentioned earlier, has begun to confront the narcotics problem in a very positive way.

Mr. KIM. Thank you, Mr. Chairman.

Mr. MANZULLO. I have just a short question. Mr. Greene, you may know the answer to this. How are we coming on the extradition to the United States of the 10 "Tiger Trap" defendants in Thailand?

Mr. GREENE. Every responsible official we spoke to when the Ambassador and I were in Thailand indicated that they were positive; they gave positive signs that they thought the extradition would occur.

I would tell you, I think it is vital that it occurs. I think of the 10, we have information that 8 of the 10 probably are not Thai citizens, which was one of the big concerns, about whether they could be extradited.

I am often accused of being an eternal pessimist. I am somewhat optimistic—

Mr. MANZULLO. You have a tough job.

Mr. GREENE. I am optimistic we will see them, but we, collectively, need to keep our eyes on this, because if we do not see these individuals in the United States, I think it is a significant negative event.

Mr. GELBARD. Actually, Congressman, it is 10 plus 1, because we have also requested the extradition of a former member of the Thai parliament. He is a Thai citizen. We have a bilateral extradition treaty under which extradition of nationals is allowed.

And Mr. Greene and I pressed very hard, as he said, for the extradition of the 10 Tiger Trap individuals plus the former member of parliament.

Mr. MANZULLO. Mr. Gelbard and Mr. Greene, how many agencies with resources—I know you could go on all day with this—are presently available for fighting drugs coming from Burma, starting with the source country right up to the sources of this country? Who all is involved in this?

Are you making your list over there, Mr. Greene?

Mr. GREENE. U.S. agencies?

Mr. MANZULLO. Right.

Mr. GREENE. The State Department, the Drug Enforcement Administration, Central Intelligence Agency, DOD, U.S. Customs would assist in training and providing interdiction assistance.

Mr. GELBARD. And anybody else we need.

Mr. MANZULLO. Well, we thank you for spending the morning and part of the afternoon with us.

And thank you, Mr. Kim, for being here.

I am going to leave the record open for 21 days for anyone who wants to submit questions. And I will leave it open for 30 days for responses after that 21 days.

This subcommittee is adjourned.

[Whereupon, at 1:57 p.m., the subcommittee was adjourned.]

APPENDIX

OPENING STATEMENT

THE HONORABLE DONALD A. MANZULLO
SUBCOMMITTEE ON ASIA AND THE PACIFIC

DRUGS IN ASIA: THE HEROIN CONNECTION

* * * * *

I am Congressman Don Manzullo. Chairmen Gilman and Bereuter have asked me to take the lead on narcotics issues for the Subcommittee on Asia and the Pacific. Mr. Bereuter is currently engaged in a Banking Committee mark-up, but hopes to join us later in the hearing. We also hope to see Mr. Gilman, who has a major interest in narcotics control issues.

Today's hearing on narcotics in Asia is the third in a series of regional narcotics hearings by subcommittees of the House International Relations Committee. The Committee takes very seriously its oversight responsibility in the important area of narcotics control and is using these hearings to press the Clinton Administration for a more cohesive and vigorous narcotics enforcement effort.

This hearing will focus on the flood of heroin from South and Southeast Asia to the West in general, but particularly to the United States. There are currently 11 major drug producing or transit countries in Asia, four of which are the major focus of our attention today: Thailand, Burma, Afghanistan, and Pakistan. On March 1, 1995, the Clinton Administration certified Thailand as cooperating fully with U.S. anti-drug efforts. Pakistan's certification was lowered from fully certified to certified with a national security waiver. Afghanistan was decertified, as is Burma.

Thailand remains the major transit route for heroin production from the Golden Triangle. Nevertheless, drug cooperation between Washington and Bangkok remains good. Pakistan's certification rating was lowered because, while seizures were up, total poppy cultivation increased 16 percent, few major traffickers were arrested in 1994, and no recent asset seizure cases were prosecuted. Key U.S. concerns regarding Pakistan are ineffective policing of the border with Afghanistan and the continued high level of poppy cultivation and heroin production in the remote North-West.

Afghanistan remains the second largest producer of heroin in the world next to Burma. The U.S. estimates opium production in Afghanistan rose 38 percent in 1994. The lack of a strong, centralized government in Kabul has rendered eradication programs, investigation and prosecution of traffickers, and large seizures of narcotics nearly impossible. The U.S. Government has almost no counternarcotics presence in Afghanistan, and has little desire to initiate such activities in the current unstable environment.

Burma is the world's largest producer of heroin, and the source of approximately sixty

percent of the U.S. supply. Despite this flood of heroin, the Burmese government (SLORC) continues to view counternarcotics as an issue of minor importance. While some limited efforts were made against the drug traffickers, these efforts have had a negligible impact on the drug situation in Burma, or worldwide. Compounding this lack of government resolve, Rangoon faces major practical obstacles in any counternarcotics effort. The central government lacks access to, and control over, large areas of cultivation and production. Without such access, eradication and seizure programs are ineffective, and arrests and prosecutions difficult. Clearly, greater effort must be shown on the part of Rangoon in counternarcotics efforts for certification to be considered.

Widespread concern over Burma's deplorable human rights record has hampered U.S. efforts to deal with the current SLORC government in the area of counternarcotics. This conflict between two major U.S. policy goals has hampered the development of the Clinton Administration's heroin strategy which has been in the works for two years. We are anxious to hear from our witnesses today how the Administration plans to deal with these conflicting counter-narcotics and human rights goals. The narcotics epidemic in major cities throughout the country, like New York and Chicago, makes it imperative that the Administration exercise leadership in this area and ensure that any new "strategy" be more than a mere paper exercise with little impact on the streets.

Today we are extremely fortunate to have three key Administration officials testify on the Asia heroin connection. Dr. Lee Brown, the Director of the President's Office of National Drug Control Policy, otherwise known as the "Drug Czar," will lead off. Before assuming this position, Dr. Brown was a professor of criminology at Texas Southern University after having served many years in top law enforcement posts in New York, Houston and Atlanta. Dr. Brown has a doctorate in criminology from the University of California at Berkely, and has received innumerable other prestigious awards and honors.

Our second panel this morning will include Robert Gelbard, Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, and Stephen Greene, Deputy Administrator of the DEA. Mr. Gelbard is a career foreign service officer who has served with distinction as Ambassador to Bolivia, as well as in a number of key economic positions in the Department and at embassies in Asia, South America and Europe.

Mr. Greene, who has been Deputy Administrator since April 1991, joined the DEA in 1968. He has served in domestic field offices, as well as at U.S. embassies in Saigon, Hong Kong and Bangkok. Finally, I would like to acknowledge the presence of Mr. Kent Weidemann, the Deputy Assistant Secretary of State responsible for Burmese and Thai Affairs.

CHAIRMAN BENJAMIN A. GILMAN

OPENING STATEMENT

SUBCOMMITTEE ON ASIA: JUNE 21, 1995

THANK YOU MR. CHAIRMAN FOR ARRANGING THIS IMPORTANT HEARING ON THE SERIOUS NARCOTICS PROBLEM IN ASIA WITH REGARD TO HEROIN.

THERE IS MUCH WE CAN DO IN OUR FIGHT AGAINST DRUGS, ESPECIALLY BEFORE THEY REACH OUR SHORES ADDING BILLIONS TO OUR CRIME, INCARCERATION, HEALTH CARE, AND WORKER PRODUCTIVITY COSTS.

THE PROBLEM OF INTERNATIONAL DRUG TRAFFICKING HAS NOT RECEIVED THE ATTENTION IT DESERVES. LAST YEAR, THE MAYOR OF NEW YORK, RUDOLPH GIULIANI, SUGGESTED THE U.S. BEGIN TREATING THE INTERNATIONAL DRUG WAR AS A FOREIGN POLICY ISSUE, RATHER THAN A LAW ENFORCEMENT PROBLEM FOR OUR CITIES TO HANDLE ALONE. I AGREE.

THE VIEWS OF MAYOR GIULIANI ARE PARTICULARLY RELEVANT TO THIS SUBCOMMITTEE HEARING SINCE NEW YORK CITY TODAY IS AWASH IN HEROIN, THE PRIMARY DRUG BEING EXPORTED FROM ASIA. IN A RECENT VISIT WITH DEA OFFICIALS, I LEARNED THAT HEROIN USE IS ALARMINGLY ON THE RISE. FURTHERMORE, THE SUPPLY IN NEW YORK CITY IS THE CHEAPEST, PUREST (85-90% PURITY IN SOME CASES), AND DEADLIEST SEEN IN YEARS.

MOST OF THE HEROIN FOUND IN NEW YORK AND OTHER EASTERN CITIES IS OF THE "WHITE" VARIETY. PRODUCED PRIMARILY IN BURMA AND AFGHANISTAN, IT IS SHIPPED TO THE U.S. VIA THAILAND, VIETNAM, AND NIGERIA AND THROUGH THAT AFRICAN NATION'S NUMEROUS NARCOTICS COURIERS.

IT WOULD SEEM LOGICAL, BASED ON THESE ALARMING DEVELOPMENTS, THAT THE ADMINISTRATION WOULD HAVE QUICKLY DEVELOPED A STRATEGY FOR DEALING WITH THE RISING HEROIN PROBLEM, ESPECIALLY WITH BURMA, THE NATION WHICH PRODUCES 60% OF THE WORLD'S SUPPLY.

THE ADMINISTRATION NOW TELLS US THEY HAVE A HEROIN STRATEGY, AND WE AWAIT FURTHER DETAILS TODAY.

SOME TYPE OF STRATEGY FOR DEALING WITH THIS PROBLEM IS LONG OVERDUE. WE OWE IT TO THE CHILDREN IN OUR CITIES, WHO ARE EXPERIENCING FIRSTHAND THE HORRIBLE SIDE EFFECTS OF HEROIN USE; VIOLENCE, CRIME, HIV/AIDS, AND SHATTERED FAMILIES. NOTHING LESS WILL SUFFICE.

I HOPE THAT THESE HEARINGS WILL SHED SOME LIGHT ON SOLUTIONS TO THE HEROIN CRISIS. I WILL ALSO BE LOOKING CAREFULLY AT THE LEVEL OF COOPERATION WE ARE GETTING FROM KEY NATIONS LIKE VIETNAM AND THAILAND, IN HELPING TO STEM THE FLOW OF DRUGS FROM THE REGION.

MR. CHAIRMAN, THANK YOU FOR HOLDING THIS HEARING AND HELPING TO PRODUCE A LONG AWAITED HEROIN STRATEGY.



HONORABLE JAY KIM

OPENING STATEMENT
SUBCOMMITTEE ON ASIAN AND PACIFIC AFFAIRS
HEARING ON DRUGS IN ASIA: THE HEROIN CONNECTION
JUNE 21, 1995

Mr. Chairman, I welcome your holding this important hearing this morning. I am very concerned about the increased trafficking and use of heroin--as well as other illegal narcotics-- in the United States. Thus, I strongly support responsible efforts to eliminate both the supply and demand of heroin and other illegal drugs.

However, we need to be careful in crafting our new anti-heroin strategy to make sure that it is both consistent with other foreign policy objectives and produces real results rather than feel-good activities and rhetoric. I make this point because I believe that the program the Administration is proposing for Burma appears to fail on both of these standards.

Mr. Chairman, I have serious reservations about the Administration's proposals for Burma. I think this is the wrong policy change at the wrong time. However, in the interest of time, instead of going into all of my specific concerns, I ask unanimous consent that the rest of my statement be inserted into the record at this point.

Without question, the State Law and Order Restoration Council (SLORC)--the military junta that rules Burma--is one of the world's most brutal and repressive regimes. Both the Bush and Clinton Administrations have consistently sanctioned this dictatorship and publicly expressed skepticism about the SLORC's commitment to even minimal counternarcotics efforts. Bilateral aid to Burma was

correctly suspended in 1988 following the SLORC's murderous suppression of the pro-democracy movement. Congress has strongly supported these actions by both Administrations.

Now, in what appears to be a real change in policy, the Clinton Administration is proposing to provide bilateral aid to Burma in the form of in-country training for units of the SLORC's security service. While I have read in the Administration witnesses' prepared testimonies their claim that this would start as a small, case-by-case relationship, even minimal assistance to the SLORC has very adverse consequences.

First, the counternarcotics units the Administration proposes to train are part of the SLORC's brutal security apparatus. While these units may engage in token anti-drug operations to impress the State Department, they will probably turn to hunting down innocent pro-democracy advocates when our trainers leave.

Second, it sends a message to the SLORC--and to the pro-democracy advocates who courageously risk their lives trying to promote freedom--that the US government is willing to deal with the SLORC as a legitimate, legal entity. Why should Burma's ASEAN neighbors listen to the pleas by the State Department's East Asia Bureau to isolate the SLORC when the State Department's International Narcotics Bureau is engaging the SLORC and providing it with aid?

Third, there are key actions the SLORC can easily take itself to both curtail heroin trafficking and convince us that it is serious about fighting drugs. We should demand these actions occur before

offering any aid. For example, the SLORC generals personally involved in heroin trafficking can stop their deadly trade. The SLORC can end its policy of tacitly allowing heroin production and trafficking by minority groups under its jurisdiction. Without such unilateral action by the SLORC, no amount of counternarcotics training will be effective.

Fourth, much of the heroin is coming out of areas of Burma that the SLORC does not even control. And, I have very serious reservations about helping the SLORC gain control of these areas as the SLORC's primary targets in such operations are not the drug traffickers, but the innocent ethnic minorities that are politically opposed to the SLORC. Thus far, the SLORC's so-called counternarcotics strikes appear to have created millions of refugees and enormous suffering while curtailing drug production very little.

Mr. Chairman, these are among the many specific items I hope we can discuss in today's hearing. We all want to stop the flow of heroin. However, we must make sure that we do so in the most effective and responsible way. I thank you for yielding and look forward to the testimony of today's witnesses.

Hon. Bill Richardson
Talking Points on Narcotics in Burma
June 21, 1995
Subcommittee on Asia and the Pacific

Burma remains the world's largest producer of illicit opium and heroin, and the Government of Burma continues to treat counternarcotics efforts as a matter of secondary importance. The Administration narcotics experts estimate 1994 potential opium production at 2,030 metric tons from 146,000 hectares of illicit poppy cultivation.

My most recent trip to Burma last month was extremely disappointing on account of the Burmese regime's retrenchment on human rights and democratization efforts. As a result of this retrenchment I will be offering two amendments with Mr. Rohrabacher intended to further isolate the repressive Burmese regime by cutting all counternarcotics assistance and providing additional funds for the refugee crisis along both sides of the Thai-Burma border. Burma's ruling military junta, the State Law and Order Restoration Council (SLORC), has established itself as the heavyweight champion of repressive governments by violating human rights and detaining the leader of Burma's democratic movement Aung San Suu Kyi.

Recent efforts to obtain visas by the authors of this amendment have been denied or granted only after preconditions were met. Leading opposition members of the National League for Democracy were arrested after meeting with Congressman Richardson last month and Aung San Suu Kyi's husband Dr. Michael Aris was denied access to his imprisoned wife. Finally, the International Committee for Red Cross abandoned efforts to work with the SLORC leadership this week.

The government's ability to suppress Burma's opium and heroin trade is severely limited by lack of access to and control over the areas in which most opium is grown and heroin processed. This is to some extent a situation the government itself has created. Well-equipped ethnic armies sheltered in remote mountainous regions have been permitted wide-ranging, local autonomy in exchange for halting their active insurgencies against Rangoon.

Since 1989, Burma has become the world's largest producer of opium and heroin. Drug trafficking armies protected in ethnic enclaves at the periphery of central government control are the main forces behind the massive expansion in the Burmese drug trade. Since the ruling State Law and Order Restoration Council (SLORC) signed peace agreements with Burma's largest drug trafficking insurgent groups in 1989, it has espoused a policy that emphasizes economic development in the ethnic areas inhabited by these trafficking armies rather than attempting to take drug enforcement measures in these same areas.

Reduction in opium cultivation was supposed to follow economic development. Unfortunately neither development nor a reduction in opium cultivation has occurred. The government continues to rely on the UN's Drug Control Program (UNDCP) and UN Development Program UNDP assistance for limited drug-related development aid. UNDCP manages a number of pilot crop substitution projects as well as demand reduction and law enforcement projects close to the Thai and Chinese borders. However, efforts to counter the narcotics threat have had no major impact on the thriving Burmese drug economy. The SLORC has yet to introduce meaningful eradication or drug enforcement measures in the ethnic strongholds of the Shan state where the bulk of Burma's drug trade is based.

The government is primarily concerned with quelling border area insurgencies and does not take counternarcotics as a priority in these regions. Although the legal framework for compliance with the goals and objectives of the 1988 UN Convention exists, the government has not embarked on a program to implement these laws vigorously. Burmese eradication efforts remain so limited, they have no impact on the massive opium cultivation.

The bulk of Burma's drug enforcement effort in areas controlled by the government falls under the domain of the Central Committee for Drug Abuse Control (CCDAC) narcotics task force, a coordinating and implementing agency comprised of representatives from the police, military, and several ministries with peripheral drug control interests. While direct government complicity in the drug trade does not appear to be a problem among senior officials, narcotics corruption is a problem among lower level officials. **It is widely believed that the lower level Burmese officials in the field, particularly in the Shan state, profit from drug trafficking for personal gains. This often takes the form of taking bribes for looking the other way.**

Most of the country's drug production and trafficking is under the control of insurgent armies. The government has no direct control over the activities of these armies, but it has both political and economic leverage with these groups. It has failed to use this leverage on these groups to reduce drug production and trafficking. Burma remains the undisputed leader in world illicit opium output, providing over 50 percent of known global illicit production. The Burmese government has not replaced previous US-funded drug enforcement programs with its own unilateral efforts. In view of the Burmese government's continuing human rights abuses and failure to institute political reform, the United States must re-evaluate its counternarcotics partnership with the SLORC.

A distinction between cosmetic endeavors to appease foreign observers and true unilateral drug control efforts must also determine the future of bilateral cooperation as well as the SLORC's progress on human rights and democratization.

I commend the distinguished gentleman from New York Ben Gilman, the Chairman of the International Relations Committee for his efforts to pursue solutions to this problem. I understand he has requested a GAO report to explore the possibilities of counternarcotics assistance with local governing authorities and I am supportive of that initiative. I want to make it clear for the record that the language of the Richardson-Rohrabacher amendment does not preclude any direct or indirect counternarcotics assistance funding to regional ethnic groups in Burma if the GAO determines that such assistance can be provided directly to the regional ethnic groups in Burma and not through the SLORC. I hope Mr. Gilman can appreciate my concern for unintended funding of SLORC activities with money intended for counternarcotic operations.

UNITED STATES HOUSE OF REPRESENTATIVES
SUBCOMMITTEE ON ASIA AND THE PACIFIC

Hearing On
The Heroin Connection

10:00 a.m., June 21, 1995
2200 Rayburn House Office Building

U.S. Representative Charles B. Rangel

Mr. Chairman. Good morning. Thank you for allowing me to address The Subcommittee on Asia and the Pacific's hearing on The Heroin Connection. I am heartened to find that your Committee recognized the importance of this issue and scheduled a hearing on this issue even before President Clinton's Heroin Control Strategy has officially been released. No issue affects the everyday lives of Americans more.

The evidence is clear. Despite the efforts of three Administrations and almost \$100 billion dollars invested over ten years, this country is losing its campaign to stop the proliferation of drugs in this country. Americans spend over \$50 billion on drugs each year. This figure is twice the amount dedicated to stopping the trade. In 1993, 1,123,300 people were arrested for drug offenses; more than two per minute. Current coca cultivation is three times what is necessary to supply the needs of the U.S. market. A recent University of Michigan study revealed that casual use of illicit drugs by young people has been on the rise for the last three years.

Worse still is the growing world-wide problem where world-wide production has more than doubled in the last decade. Poppy growing areas are expanding in Afghanistan and the new republics of the former Soviet Union. Around the world the number of hard-core users is expanding. Colombian, Mexican, Venezuelan, and Peruvian heroin producers are now shipping heroin through their sophisticated trafficking networks. And throughout this country, the purity, types, and supply of heroin are at all-time highs, while the prices are at all time lows.

To counter these grim statistics, President Clinton, via the State Department, the Office of National Drug Control Policy, and the National Security Council, plans to offer a comprehensive heroin strategy that: expands and intensifies contacts with foreign leaders to mobilize cooperation; dismantles illicit heroin trafficking organizations by prosecuting the leaders and seizing assets and profits; reduces the supply of heroin entering the U.S.; and treats heroin trafficking as a serious national security threat. I congratulate the Administration and the President for undertaking a new strategy. However, I'm left to wonder why such clear and definitive goals remain so elusive to the President's pen? After all, such goals have always been welcomed by Members of both parties, including Rep. Ben Gilman, now Chairman of this committee.

Still I gladly welcome the President's participation in this project to eradicate heroin as a national threat. Although, many human rights activists and some of my colleagues may disagree, I believe that all of these goals are both worthwhile and attainable. This is especially true in the case of opium and heroin, which has brought devastation and despair to Asia and now the world, for centuries. Now we see that the flow of heroin leads from south-east Asia and South America through Hong Kong, Nigeria, and Amsterdam to New York. Few, however speak to these heroin-related human rights tragedies that take place daily in my district of upper Manhattan, Pittsburgh, or Detroit. I encourage President Clinton to sign this policy and implement it as soon as possible. Every that we delay means more lives will be lost to heroin.

I hope that this committee and all Members will rally behind this strategy. Our failure to do so poses great danger to generations of Americans. As Americans who love our children and value our democracy and freedom, we must develop and promote the belief that drug use is unacceptable while reclaiming those who have failed in their personal battle with drugs. First however, we must recognize this fight as a non-partisan confrontation with the lesser angels of human nature. These drug lords are villains who seek to slowly incapacitate our humanity by numbing, then killing us with narcotics. We must recognize the crisis of narcotics abuse for what it is, a security concern that threatens all nations, even the greatest one of all.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
Washington, D.C. 20500

BIOGRAPHY OF LEE P. BROWN



Lee P. Brown is Director of the White House Office of National Drug Control Policy (ONDCP). He was confirmed by the U.S. Senate with a unanimous vote and was sworn-in to the cabinet-level post on June 21, 1993.

Prior to his confirmation as ONDCP Director, Dr. Brown was a Distinguished Professor at Texas Southern University and Director of the University's Black Male Initiative Program. He also served as New York City Police Commissioner from 1990 - 92, as Police Chief of Houston, Texas from 1982 - 90, and as Atlanta, Georgia's Public Safety Commissioner from 1978 - 82.

Dr. Brown began his distinguished career in law enforcement in 1960 as a patrolman in San Jose, California. After eight years in that capacity, he moved to Portland, Oregon and established the Department of Administration of Justice at Portland State University.

In 1972, he joined Howard University in Washington, D.C., becoming Associate Director of the Institute for Urban Affairs and Research. He held the academic rank of Professor of Public Administration and Director of Criminal Justice Programs.

Dr. Brown returned to Portland in 1975 to serve as Sheriff of Multnomah County. In 1976, he was appointed Director of Justice Services, a department comprised of all the county's criminal justice agencies.

Dr. Brown received a Doctorate in Criminology from the University of California at Berkeley in 1970; a Masters in Criminology from the University of California at Berkeley in 1968; a Masters in Sociology from the San Jose State University in 1964 and a Bachelors in Criminology from Fresno State University in 1961.

Dr. Brown is a past President of the International Association of Chiefs of Police and is involved in a number of professional and community organizations.

The recipient of a number of awards over the years, Dr. Brown was most recently inducted into the Gallup Hall of Fame by Gallup, Inc. in 1993. In 1992, he was awarded the Cartier Pasha award from Cartier International. In 1991, he was named Father of the Year by the National Father's Day Committee.

The author of many articles and papers on police management, community policing, crime and the criminal justice system, Dr. Brown is also co-author of the book Police and Society: An Environment for Collaboration and Confrontation.

THE HONORABLE LEE P. BROWN

DIRECTOR

OFFICE OF NATIONAL DRUG CONTROL POLICY

EXECUTIVE OFFICE OF THE PRESIDENT

TESTIMONY

BEFORE THE

HOUSE COMMITTEE ON INTERNATIONAL RELATIONS

SUBCOMMITTEE ON ASIA AND THE PACIFIC

June 21, 1995

It is a privilege to testify before you today, Mr. Chairman, and have the opportunity to discuss narcotics production and trafficking in South and Southeast Asia and its effects on the United States.

There has been increasing concern that we are on the verge of a heroin epidemic. Over the past year, we have been tracking what appears to be an increase in the availability of heroin on our streets, as a result of lower prices, greater purity, and bumper crops coming out of Southeast and Southwest Asia, as well as South America.

The Office of National Drug Control Policy (ONDCP) has been long concerned about the apparent re-emergence of heroin in the United States. Faced with reports of increased access to heroin, we have initiated a quarterly review--the *Pulse Check*--which is an ongoing series of interviews with street ethnographers, police, and treatment providers, to determine the nature and extent of heroin use. We conduct the *Pulse Check* because traditional survey data do not document heroin use accurately or in a timely manner.

As you know, we have now finalized our recommendations for a heroin strategy developed at the direction of the President to address the problems of trafficking, production, and use. To facilitate that process, I traveled this past year to Southeast and Southwest Asia and to Africa to obtain a first-hand understanding of the scope of the problem we face.

THE WORLDWIDE THREAT

The worldwide heroin threat requires a different approach than that developed for cocaine. The heroin industry is decentralized and diversified, making it difficult to collect intelligence about it and conduct law enforcement operations against it. But, like the Latin American cocaine trade, heroin trafficking has become a worldwide industry run by transnational criminal organizations. Analysis of international trafficking trends suggests that the proceeds from retail heroin sales range from \$4-\$10 billion in the United States and from \$5-\$25 billion in Europe -- the two primary heroin markets.

What is the current worldwide heroin situation?

- Worldwide opium production has more than doubled in the last decade.
- Poppy growing areas are expanding in Afghanistan and the new republics of the former Soviet Union.
- Heroin addict populations, particularly in Asia, are increasing.

- The cocaine cartels in Colombia are now shipping heroin to the U.S.
- And in the U.S., higher purity heroin is being marketed in a smokable form, thus avoiding the stigma associated with the use of needles and the consequences of contracting HIV-AIDS through injection.

Today at least 11 countries produce a total of 3,400 metric tons of illicit opium for the international drug markets, more than double the production of a decade ago. Heroin refining occurs in nearly all producing countries, and in some transit and consumer countries. While Southeast Asia remains the largest producer and supplier to the U.S., based upon our assessment of heroin use and production, heroin market requirements could currently be largely met by Western Hemisphere sources.

We can blunt the potential impact of the heroin problem if certain steps are taken, as I have recommended to the President. First we must work through diplomatic and public channels to boost international awareness of the growing heroin threat. Second, we must promote the United Nations Drug Control Program (UNDCP) and increase regional and financial involvement of non-governmental organizations (NGOs), and wherever possible, bring international drug law enforcement efforts to bear against the principal organizations that are involved in the production, processing, and transit of the drug. And third, while we believe democratic, market-oriented governments are integral to the overall success of our strategy, we must address the special problems caused by the lack of physical or diplomatic access to the major opium production countries with human rights, democratization, and political reform problems, such as Burma and Afghanistan.

THE NEW HEROIN STRATEGY

Our recommendations for an international heroin strategy contain four major goals:

- expanding and intensifying contacts with foreign leaders to mobilize greater international cooperation against the threat of heroin.
- dismantling the illicit heroin trafficking organizations by prosecuting their leaders and seizing profits and assets;
- treating heroin trafficking as a serious national security threat; and
- reducing the supply of heroin entering the U.S.

A source-country approach of the kind we are now employing against cocaine trafficking is not really feasible because of the geographical dispersion of poppy cultivation. The heroin industry is a global criminal enterprise and the international community must unite to successfully counter it. Such a strategy requires strong U.S. leadership and long-term political commitment as well as close coordination between our international initiatives and our domestic enforcement efforts.

There are several important elements that I have endorsed for a proposed international heroin strategy:

- **Heightening international attention.** We will seek to boost international awareness of the heroin threat and strengthen the political will to combat it. We have to convince nations that effective drug control is in their own interest. Accordingly, we have to raise the priority of drug control in our bilateral relations with all opium source, transit and consumer countries, so they can carry a greater share of the counter-drug burden.
- **Emphasizing a multilateral and regional approach.** We intend to engage the world community to build an international consensus for chemical and financial regulation. We will work through international donor organizations to provide seed money for alternate development programs in poppy growing areas such as Laos. We will develop antidrug information sharing programs with our allies in Asia, Africa, Latin America, the Middle East, and Europe.
- **Supporting law enforcement programs.** The United States has a vital interest in helping other countries use and strengthen their legal processes to thwart heroin trafficking. To this end, we will assist these countries improve their law enforcement practices and techniques and improve coordination among the various law enforcement programs.
- **Attacking the trafficking infrastructure.** We have to focus the worldwide effort on trafficker leadership, money laundering systems, chemical sources, and communication/transportation networks. This effort also involves maintaining a DEA and intelligence community presence abroad in the source and transit countries to counter the global movement of drugs and drug monies and to foster greater cooperation with allied countries.
- **Promoting effective demand reduction programs** (prevention and treatment) to reduce illicit drug use

and initiation into drug use.

Regional Approach

In many major heroin source and transit countries, such as Mexico and Turkey, the United States has important national security interests that extend beyond drugs. Our recommended heroin strategy seeks to optimize our limited counternarcotics resources to carefully target those countries and regions that pose the most direct heroin threat to the domestic health and national security interests of the United States.

SOUTHEAST ASIA: Since approximately 60 percent of the heroin sold in the U.S. comes from Southeast Asia, and particularly Burma, our primary heroin control priority will be to reduce this flow. We will continue to employ a range of activities to address U.S. counternarcotics concerns without undermining other vital US objectives, including efforts to promote political reform and reconciliation and curb human rights violations. These activities include the following:

- Continue, at appropriate levels, a general dialogue with appropriate Burmese authorities regarding counternarcotics strategies.
- Exchange information with appropriate officials to support Burmese unilateral counternarcotics operations.
- Provide in-country counternarcotics training to specialized units on a case-by-case basis and subject to the same U.S. standards and safeguards observed in other countries in which the U.S. has a counternarcotics relationship.
- Continue support for critical UNDCP regional narcotics control efforts that affect Burma.

Our recommended strategy also requires a strong, coordinated international attack on the trafficking and financial organizations outside Burma.

Thailand remains key to our regional program. I had discussions in Bangkok with Thai officials about the future of our cooperative effort. They are eager to continue this important relationship and have agreed to work even more closely with us against narcotics trafficking elements in Thailand. We will encourage China and Thailand to exert more narcotics control pressure on Burma by emphasizing the regional threat of the heroin trade, and we will address the problem of increasing heroin movements through China and Taiwan.

We have recommended that support be increased to the United Nations Drug Control Program's (UNDCP) Sub-Regional Project, working with Burma and its neighbors, to reduce opium production and enhance regional cooperation. For example, Laos, with the help of the United Nations, has developed a comprehensive drug control plan that could serve as a model for other producing countries. The plan seeks to significantly reduce poppy cultivation and drug addiction by the year 2000.

SOUTHWEST ASIA: In view of Afghanistan's importance as a major opium source country, the U.S. has established the principle that assistance to major drug-producing areas should be in the context of a plan to reduce opium growing and processing. We will continue to encourage Pakistan to continue a serious effort to reduce production, and increase investigative efforts on high-level trafficking. The U.S. will provide appropriate judicial training to enhance Pakistan's capability to successfully prosecute, convict, or extradite major traffickers.

As a result of a recent visit to Turkey, I concluded that changes in worldwide opium production and trafficking patterns are increasing Turkey's importance for processing, transshipment, and as a clearinghouse linking the Southwest Asian trade to European, Middle Eastern, and North American markets. U.S. policy will continue to encourage Turkish political will and commitment to improve investigative and prosecutorial capabilities, target well-established drug syndicates, and assist with the technical expertise required to undertake this task.

LATIN AMERICA: Opium poppies are currently being grown in Mexico, Colombia, Peru and Venezuela. Colombia's current aerial spraying eradication of poppy and coca crops is critical, since Colombia presents a potential new heroin supply threat. The cartels have all the prerequisites to capture a large part of the U.S. domestic heroin market: sufficient poppy cultivation to meet U.S. supply needs, product quality is high, and retailing capabilities are well developed. The cartels can provide stiff competition to Asian traffickers, and already sell very pure, high-quality heroin in the United States at a cheaper price than Asian counterparts. We are supporting Colombia's very aggressive aerial eradication efforts about both poppy and coca.

According to the Heroin Signature Program one of the indicators the DEA uses to monitor and assess the domestic heroin trafficking situation, 32 percent of the heroin seized in the U.S. during 1994 originated in South America, as compared to a figure of 15 percent for the last six months of 1993. The Federal Drug Seizure System indicates that 1.15 metric tons of heroin was seized in FY 92 within the United States; 1.6 metric tons were seized in FY 93; and 1.3 metric tons were seized in FY 94. During the first quarter of FY 95, .26 metric tons were seized.

AFRICA: Nigerian and related West African trafficking organizations demand special attention because they move a substantial portion of the heroin coming to the U.S. from Southeast Asia. As you know, the President has not certified Nigeria for the last two years. Last August, the President asked me to go to Nigeria to convince the Nigerian Government that the United States preferred to certify them, but they had to earn it. Clearly Nigeria is embarrassed by decertification and has made an effort to extradite several narcotraffickers and has voiced cooperation and support for our heroin strategy.

Nigerian trafficking organizations dominate the drug trade between Africa and the United States. These organizations appear to be global in scope, capable of effecting major capital flows to Africa from other parts of the world, and able to influence the political apparatus and economic functioning of Nigeria as well as other African countries.

We also must work closely with South Africa to help them oppose criminal elements now setting up transit operations in Pretoria and Cape Town. I was impressed during my visit to Pretoria by the cooperative spirit of the South African Police Counternarcotics Bureau. I believe they can play a significant leadership role in Africa by providing training and technical assistance to neighboring countries.

THE CIS AND EUROPE: Since Europe is one of the largest consumer markets for heroin, the U.S. will encourage European and other major consumer countries to take the lead in thwarting heroin production and trafficking in Eastern Europe and the Commonwealth of Independent States by providing these countries with antinarcotics assistance. U.S. counternarcotics assistance will be provided through UNDCP, along with limited direct assistance for building indigenous law enforcement, demand reduction, and money laundering enforcement capabilities.

Are We On the Verge of a Heroin Epidemic?

Taking everything into account, it is my belief that the United States is NOT in the midst of another heroin epidemic. However, we ARE seeing increased heroin consumption, but the bulk of this appears to be the result of increased levels of use among existing drug users. There is an expectation that lower prices and higher purities leads to increased consumption among existing users. There is also an expected progression of increased tolerance among heroin users. But we see heroin use also on the rise among drug users whose prime drug of abuse is not heroin. The link is especially strong for long-term users of cocaine, particularly in its "crack" form. The evidence suggests that heroin snorting has become more common where high purity heroin is readily available.

Based on an ONDCP study released last month, we estimate that there are about 500,000 chronic, hardcore drug users who report heroin as their principal drug of abuse -- or about 19 percent of the estimated 2.7 million hardcore drug users in the United States. As the study reports, the evidence suggests that an increasing number of the 2.1 million hardcore cocaine users are now using heroin.

The typical heroin user today consumes much more heroin than a decade ago. This is not surprising given the low price and higher purity reported. Until recently, heroin was almost exclusively injected, either intramuscularly or intravenously. Injection is the most practical and efficient way to administer low purity heroin. The availability of higher purity heroin has meant that users can now choose to snort or smoke instead of injecting it. As a result, heroin is more socially acceptable among a whole new group of people -- the fear of injection and injection-borne diseases such as HIV/AIDS and hepatitis is reduced, and some of the stigma is removed.

Data on heroin-related emergency room visits show that the problems associated with long-term heroin use are on the rise. Data from the Drug Abuse Warning Network (DAWN), which reports on drug-related activity in our hospitals, show a sharp increase in heroin emergency room incidents. For example, between 1992 and 1993, the number of heroin-related episodes in our nation's hospital emergency rooms increased 31 percent, from 48,000 to 63,000 mentions. This continues a trend that began in 1990.

Heroin use is rapidly becoming a greater burden on the treatment system. According to data compiled by the Substance Abuse and Mental Health Administration (SAMHSA) and the National Institute on Drug Abuse (NIDA), since the mid-1980's there has been a substantial increase in reported admissions to treatment programs where heroin is the primary drug of abuse.

Our own *Pulse Check* also indicates that heroin use nationwide, while still low, is increasing. Use is highest in the Northeast and Midwest. The majority of heroin users are in their thirties and are injecting the drug, and more younger users (ages 21-30) are beginning to inhale heroin.

We have tracked heroin use and its consequences carefully and continuously. And the President's policy and budget recommendations are a direct and targeted response to our assessment.

As was highlighted in the President's 1995 *National Drug Control Strategy*, the U.S. now faces two very serious problems. The first is the persistence of chronic, or hard-core, drug use. The second is a detectable change in our young people's attitudes

and behavior with respect to illegal drugs.

Reduction in demand for drugs requires reduction in the hardcore user population, and reduction in this population will be accomplished most cost-effectively through drug treatment. For this reason, drug treatment for hardcore users was the central initiative in the National Drug Control Strategy.

Expanding treatment for heavy and addicted users requires: (1) adding treatment capacity in our communities and in our criminal justice system; and (2) support for offender management programs, vocational and educational services, and training of treatment staff. It also requires providing prevention services, especially for the children of current users, to help heal the inter-generational cycle of addiction. It means significant expenditures, but the costs are small in relation to inaction.

Two major, independent studies have echoed the Administration's position. In June 1994, the RAND Corporation reported drug treatment to be a cost-effective means of drug control intervention. And a comprehensive study of drug treatment in California: *Evaluating Recovery Services: The California Drug and Alcohol Treatment Assessment* concluded that for every dollar invested in drug treatment in 1992, taxpayers received \$7 in savings over 1992 and 1993.

The research consistently shows that drug dependent people who participate in drug treatment, when compared to those who do not, decrease their drug use, decrease their criminal activity, increase their employment, and improve their social and interpersonal skills, and physical health.

Serious prevention efforts involve a change in attitude, to convince people -- especially our young people -- that heroin is a deadly, highly addictive drug that destroys lives.

We have been moving aggressively to step up our efforts to educate young people about the dangers of using heroin and other illicit drugs. The President's budget for fiscal year 1996 requests \$2 billion for drug education and prevention programs. This includes \$500 million for the Safe and Drug Free Schools and Communities Start Program. We are targeting our prevention programs to focus on those who are especially vulnerable to heroin use, such as the children of intravenous drug users, pregnant addicts, and inner city youth. However, as you know, the Rescission Package passed by Congress would reduce the funds for the Safe and Drug Free Schools and Communities Program by half.

NEXT STEPS

The initiatives included in our recommended international heroin strategy will not require immediate increased funding, but we have asked agencies and departments to make a realistic appraisal of their counter-heroin resource requirements for FY 96.

Because cocaine remains the principal drug threat to the United States is, the overwhelming proportion of our resources, programs and activities are directed toward reducing the supply and demand for cocaine in the United States. However, as the supply and purity level of heroin have risen, so has use. If left unchecked, these conditions can produce another drug use epidemic in the United States that will create more health problems, more drug related crime, and staggering social and economic costs.

I am convinced that we must respond to these troubling trends by doing a better job -- by providing drug treatment, and by providing education, prevention, and early intervention.



United States Department of State

*Assistant Secretary of State
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Washington, D.C. 20520

Robert S. Gelbard

Assistant Secretary of State
for International Narcotics and Law Enforcement Affairs

Robert S. Gelbard was born in Brooklyn, New York in 1944. He graduated from Colby College in 1964 with an A.B. in history. He subsequently received a M.P.A. from Harvard University in economics in 1979. He also studied economics at the Massachusetts Institute of Technology.

After serving in the Peace Corps in Bolivia (1964-1966), he joined the Foreign Service in 1967. After a year in Washington, he was detailed to the Peace Corps as Associate Director in Manila, Republic of the Philippines, from 1968-1970. He then was assigned from 1970-1972 as Principal Officer at the United States Consulate in Porto Alegre, Brazil. Returning to the State Department, Ambassador Gelbard was a financial economist in the Office of Development Finance in the Bureau of Economic and Business Affairs from 1973-1975, focusing principally on Latin American development and debt issues. From 1976-1978, he was the officer responsible for the Organization for Economic Cooperation and Development (OECD) in the Bureau for European and Canadian Affairs, and also worked on overall European macroeconomic and European Community financial issues.

From 1978 to 1982, he was assigned as Deputy Treasury Representative and First Secretary at the United States Embassy in Paris, France, where he was involved in analysis of French macroeconomic performance, export credit financing programs, commercial aircraft export financing negotiations, various third country financial issues and served as U.S. representative to the Paris Club. Ambassador Gelbard was then reassigned to Washington as Deputy Director of the Office of Western European Affairs (1982-1984), where his responsibilities included relations with France, Italy, Spain and Portugal, base negotiations with Spain and Portugal and

establishing diplomatic relations with the Vatican. From 1984-1985 he was Director of the Office of Southern African Affairs, where he was responsible for U.S. relations and negotiating with ten nations, including South Africa, Angola, Mozambique, Zimbabwe and Namibia.

In 1985, Gelbard was named Deputy Assistant Secretary of State for South America, a position he held until 1988. He was responsible for U.S. relations with the nations of that continent, including involvement in the transition to and consolidation of democracy in many nations; trade and financial issues; political-military issues and management responsibilities for the Bureau of Inter-American Affairs. In 1988, he was named Ambassador to Bolivia, a post he held until 1991, where he was responsible for all aspects of U.S. relations in the second largest U.S. embassy in Latin America. Areas of priority included support for building democratic institutions, supporting Bolivian efforts for economic and social structural reform and management of major counternarcotics and economic assistance programs. Subsequently, Ambassador Gelbard became Principal Deputy Assistant Secretary of State for Inter-American Affairs (1991-1993). He was responsible for U.S. policy in Cuba and Haiti and was significantly involved in issues related to the El Salvador peace process. He was also President Bush's representative preparing for the 1992 San Antonio Summit.

Ambassador Gelbard has been a member of numerous United States Government delegations to the OECD, particularly the Economic Policy Committee and served on the U.S. delegation to the Conference on International Economic Cooperation (the North/South dialogue). He also was detailed part-time to the President's Council of Economic Advisors in 1978.

Ambassador Gelbard has received the Presidential Meritorious Award, the State Department's Superior Honor Award and the State Department's Meritorious Honor Award. He is also the recipient of the United States Coast Guard's Distinguished Public Service Award. The Bolivian Government awarded him the Condor of the Andes, Order of the Grand Cross, its highest decoration to a foreign citizen.

He has been Assistant Secretary of State for International Narcotics and Law Enforcement Affairs since November 1993.

STATEMENT OF ASSISTANT SECRETARY OF STATE
FOR INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS
ROBERT S. GELBARD
BEFORE THE
HOUSE INTERNATIONAL RELATIONS COMMITTEE
SUBCOMMITTEE ON ASIA AND THE PACIFIC

June 21, 1995

Mr. Chairman and Members of the Committee:

Thank you for inviting me to appear before your committee today. I greatly welcome this opportunity to open a frank and productive dialogue with the Members on our response to the Asian narcotics threat. These are the first such hearings this Committee has held during my tenure and they come at an auspicious time. The Administration has been working to develop a new, comprehensive international heroin control policy and has sent it to the President for approval.

I have also just returned from my second trip to Asia as Assistant Secretary. I visited Thailand, Laos, Cambodia, Vietnam, and Hong Kong where I conducted a comprehensive assessment of the heroin threat and our counternarcotics efforts in that region. My first visit to Asia was in January 1994. That was my first major trip abroad as Assistant Secretary and it underscored our concern about the heroin threat. The two trips have provided excellent benchmarks for evaluating our progress and needs.

I can report that there have been advances in some important areas since early 1994, particularly in law enforcement efforts in Thailand and opium crop control in Laos. But I must candidly tell you we cannot take comfort in this. The United States still faces today a worldwide heroin threat of unprecedented magnitude, and we are beginning to feel the repercussions in terms of greater domestic addiction. Asia--the source for an estimated two-thirds of the heroin in the United States--is our biggest concern. We can get ahead of this threat before we face a crisis. Today, I would like to review the drug threat from Asia, our policy to combat it, and the resources we need to accomplish this task.

The Threat

Mr. Chairman, allow me to outline briefly the nature of the international narcotics threat that we have presented in greater detail in this year's International Narcotics Control Strategy Report--the INCSR.

The spread of international narcotics trafficking constitutes one of the most persistent and pernicious challenges to America's foreign and domestic interests in the post-Cold War era. In his January address at Harvard, Secretary Christopher identified the need to attack international narcotics trafficking and crime as one of the five key objectives of our foreign policy.

From a domestic perspective, it is increasingly clear that we cannot sustain a reduction in drug use without attacking foreign supplies. The National Drug Control Strategy includes three international goals. The Strategy supports source country programs designed to assist host nations to destroy drug production and trafficking, and to develop alternative development projects to lessen dependency on drug crops. We have worked hard to reduce consumption with some success: cocaine use among casual users fell significantly between 1985 and 1992, and heroin addiction remained stable for a long time. But recent data indicate that drug use in the United States is again rising, confirming what we have all known for years--a successful antidrug strategy must address both supply and demand. With respect to heroin, the key indicators are all moving in the wrong direction: prices are down, purity is up, and overdose hospital admissions and deaths are increasing.

On the foreign front, the wealth and power of the international narcotics trade pose additional challenges. Most of you are familiar with these problems as they are reflected in the sensational but true headlines from South America. But they apply to Asia as well.

- The Asian heroin trade is generating hundreds of millions of unregulated dollars that cause enormous disruptions to national economic planning and growth.
- It is a political threat: trafficker corruption and intimidation can destroy democratic institutions and their leaders.
- And it inflicts staggering social costs, condemning millions of drug users to painful, sick, and unproductive lives.

The potential for the problem to get worse is great. The rapid expansion and growth in communications and trade are making it easier for contraband, dirty money, and smugglers to move across borders undetected. The breakdown of central authority and the disruption of social order, particularly in central Asia, are producing safehavens for new and established criminal organizations to base their operations. It is against this backdrop that we must ensure that we have a comprehensive policy that addresses the wide range of narcotics-related security threats.

The Trends

Mr. Chairman, allow me to focus on the salient facts as they relate to Asia.

- First, opium production is out of control. It has more than doubled in the past decade. Our estimate for worldwide opium production in 1994 was more than 3,400 metric tons, with 98 percent of that--3,350 tons--produced in Asia. This is enough opium to produce over 340 tons of heroin. I cannot tell you how much of this comes to the United States. But I can tell you that a decade ago, when the trade was smaller, and heroin was less pure, US drug abuse experts believed that the United States had 500,000 addicts and that they used only 5 tons of heroin--50 tons of opium. Worldwide opium production was down about 10 percent in 1994, but the decline occurred primarily because bad weather hurt Burma's crop, and much of this loss was offset by increased production in Afghanistan, the second largest producer.

- Second, production is spreading; more countries are involved. While Burma, with 2,030 tons, and Afghanistan, with 950 tons, continue to be the dominant producers of illicit opium, at least seven other Asian countries are also producers: Laos, Thailand, Pakistan, Iran, Vietnam, India, and China. Although we lack solid estimates, we are concerned about production in the newly independent central Asian states.

- Third, production is increasingly occurring beyond the effective reach of US and central governments. In Southeast and Southwest Asia, most opium and heroin is produced in areas controlled by semi-autonomous, well-armed, and, often, violence-prone tribal, ethnic-based, or narco-insurgent groups. Many profit greatly from narcotics production and some view efforts to control it as a direct challenge to their autonomy. They are often militarily strong enough to block government attempts to halt production and trafficking.

- Fourth, worldwide consumption is increasing, boosting the incentives for production. Users in opium-producing countries such as Pakistan and Thailand are switching from opium to heroin. Meanwhile, heroin addiction is spreading to key transit countries such as India and China. Heroin remains the primary drug of abuse in Europe, and we are increasingly alarmed by signs of growing heroin use in Russia, Central Europe, and other states of the former Soviet Union.

- Fifth, purity levels are up. In the streets of America and Europe today, we see a degree of purity in heroin undreamed of ten years ago. And it no longer requires a needle to inject. Highly potent heroin is now being snorted and smoked.

- And, finally, trafficking networks are proliferating. New markets and sources have created an increasingly complex web of routes and organizations that span virtually every continent. Countries that were once on the periphery of the trade, such as Nigeria, now play central brokering and distribution roles. These constantly changing and complex trafficking patterns place enormous pressure on customs and law enforcement agencies just to keep pace.

Policy Framework

These are grim trends. But they should not mask the fact that we can point to areas of progress against the heroin trade in the past, and these examples shed light on where our efforts should be headed. The simple fact is that where we have had access and opportunity to implement sustained programs to counter the heroin trade, they work. Let me cite three examples:

- First is Thailand--home of our longest-running counternarcotics program in Asia. In the early 1970s, we started efforts to combat opium production in that country when it was one of the leading sources for Southeast Asian heroin. Through a variety of programs tailored to meet cultural, political, and geographic aspects of Thai opium production, Thailand is now a marginal opium producer. We are now readjusting our counternarcotics program in Thailand, shifting the focus away from relatively expensive crop control programs to less expensive enforcement efforts to target the organizations that run heroin processing and distribution operations out of Thailand.

- Second is Laos. Laos became a major concern to us when opium production began to increase rapidly in the mid to late 1980s, in part a reaction to our success in Thailand. In 1989, production reached nearly 400 metric tons, up from possibly as little as 50 tons in the early 1980s. Concerned about government corruption and commitment, we denied counternarcotics certification to Laos in 1989, yet moved ahead with bilateral efforts on crop control and other counternarcotics programs. The pay-off has been remarkable: opium production has tumbled every year since 1989, a total of 80 percent to 85 tons in 1994. While some of this decline is due to bad weather and we remain concerned about a possible rebound in production this year, the long-term trend is encouraging.

- And, finally, Pakistan. In 1978, Pakistan was the world's leading producer of illicit opium with 800 tons. The long-term production trend since then has been down, despite annual variations. Last year, production was only 160 tons.

The decline came about due to a number of factors, but most important were the government's commitment to prohibit production in areas under its complete control and a US-funded program to eradicate crops and create alternative development in areas under nominal government control. Most opium production in Pakistan is now concentrated in areas which have a high degree of autonomy under Pakistan's constitution and are controlled by well-armed Pathan tribesmen. Crop control progress there is slow and dangerous. Increasingly, we are focusing our counternarcotics efforts in Pakistan on its newer drug reality: the organizations that run international heroin distribution networks.

Mr. Chairman, it is against this backdrop of past efforts and current trends that we recently undertook a comprehensive review of our international heroin control policy and strategy. Some clear facts emerged from that assessment:

- We can implement effective programs if we have an opportunity and the resources to work with committed governments.
- We must keep our efforts focused on the most critical, and not the easiest, parts of the trade.
- We must be committed to a sustained effort--fundamental progress requires time.

With these points in mind, Mr. Chairman, let me review four key areas our policy focuses on: Burma, broader international support, attacking the leading organizations, and more stringent use of certification.

Burma

This discussion must start with Burma. Burma's role in the heroin trade dwarfs that of any other country. For the past several years, it alone has produced approximately two-thirds of the world's illicit opium. Staggering levels of Burmese opium and heroin production are the main reasons why Southeast Asia is now the principal source of heroin for the US market. If we do not derail this trade, we stand little chance of reducing heroin supplies to the United States.

But to address the Burma problem, we are starting at a very low base. We rightly suspended bilateral assistance in 1988 following the Burmese military's brutal suppression of the pro-democracy movement and the United States has denied

counternarcotics certification to Burma every year since 1989. Furthermore, the need to sustain sanctions against one of the world's most egregious violators of human rights, as well as skepticism about the regime's seriousness of purpose on counternarcotics issues, further limits cooperation with the government on counternarcotics.

As Burmese heroin continues to flow into the United States, however, we must find new approaches to the Burmese heroin challenge. We will not undercut our democracy and human rights goals in Burma. Indeed, the State Law and Order Restoration Council--SLORC--is one of the world's most brutal and repressive regimes. That said, we believe a vigorous counternarcotics policy is not incompatible with a democracy and human rights policy. Moreover, we strongly believe that, in the long run, an accountable Burmese government that enjoys legitimacy in opium-growing areas will be more willing and able to crack down on the drug trade.

* First, we intend to continue to provide in-country training for carefully selected and vetted special counternarcotics units. This will be on a case-by-case basis and subject to the same US standards and safeguards observed in other countries in which the US has a counternarcotics relationship. This will help raise the government's awareness of, and responsiveness to, the narcotics problem while helping to put in place trained officials who can address the threat over the long term.

* Second, we want to continue our exchange of law enforcement information to support Burmese counternarcotics operations. In particular, we, the Burmese people, and the region as a whole have a mutual interest in seeing authorities step up effective operations against the narcotics production and trafficking activities of the Shan United Army and its leader Khun Sa. Of Burma's dominant heroin-producing and trafficking organizations, this is the one with the most extensive international ties.

* Third, meaningful crop control efforts must begin and we need to press the government to intensify such efforts in areas under its control. We call upon Rangoon to press the ethnic groups with which it has political accommodations to undertake vigorous eradication programs and to pursue law enforcement efforts against all of the country's major traffickers. Absent a major setback in human rights, we also intend to increase support for regional alternative development projects administered by the UN Drug Control Program (UNDCP) to reduce and prevent opium cultivation in ethnically-controlled areas of Burma. At our insistence, the

UN is conditioning this assistance on the requirement that poppy cultivation be reduced in the project areas. In addition, we believe that such alternative development projects serve a positive human rights goal by improving the lives of desperately poor farmers in ethnic minority areas. We would also like to support NGO-run counternarcotics programs targeted at ethnic minority areas outside government control.

- And, finally, we will continue to encourage Burma's neighbors--particularly China and Thailand--to work closer with us and increase their pressure on the Burmese regime to intensify counternarcotics efforts. With so much heroin exiting Burma by way of China and Thailand, and with the transshipment trade creating increasingly serious addiction and crime problems in both countries, they have a strong interest in encouraging the Government of Burma to crack down harder on drugs.

Mr. Chairman, the narcotics situation in Burma presents a difficult set of political, security, and geographic challenges. The steps I have outlined here are by no means a panacea. They are, however, a useful component of our overall effort and will not compromise our human rights policy. If these modest steps produce the progress we anticipate, and there is progress on our human rights and democracy concerns, we will be in a stronger position to make real gains at reducing the narcotics threat from Southeast Asia. And we will have begun to develop institutions for serious cooperation when the SLORC is finally replaced by a democratic government.

Increased International Efforts

A second key element of our policy is to increase the involvement and effectiveness of multilateral organizations in counternarcotics. The sheer size of the trade and lack of government access to, or influence in, key producing areas limits what we can accomplish unilaterally or bilaterally and requires that we find other ways to have an effect on these regions. The UN and other multilateral organizations can play a much greater role in support of our interests. They often have access where we do not; their programs can complement ours; and they can attract additional financial and operational support for antidrug programs. In addition to Burma, we have designated UNDCP funds to begin projects in Afghanistan's major opium-producing regions, once political situations there stabilize.

In a related area, we are for the first time engaging international financial institutions and multilateral development banks in serious counternarcotics initiatives. A largely untapped resource, these organizations can play a valuable role in supporting sustainable development programs that are crucial to developing income and employment alternatives to narcotics production. The World Bank and other lending institutions are ready to support these types of projects, and we will be working to encourage key opium-producing countries to submit proposals for using such assistance.

We are looking for Europe, Japan, and other Asian donors to play greater roles in this area, too. I recently returned from Vienna where I held extensive consultations on narcotics-related development issues with the UN and our Dublin Group partners. The Dublin Group also met last month in Washington. The Dublin Group was formed by the United States and the 15 EU members, Norway, Canada, Japan, and Australia to coordinate their counternarcotics assistance and programs. The feed-back in Vienna was positive, particularly with regard to our initiatives to seek greater involvement by the multilateral development banks. The UN and the Dublin Group members acknowledged the key roles they can play in some Asian nations where our influence is limited. In all these cases, we stressed that assistance comes with a price: the recipient countries must take steps to eradicate drug crops if development projects alone do not cause growers to abandon and destroy their fields.

Intensified Law Enforcement Operations

The third element is to intensify law enforcement operations against major trafficking organizations that are based in areas where we and central authorities have access and influence. These groups, which effectively link the remote processors with US markets through their brokering, distribution, and money laundering operations, play a critical role in the trade. For too long they have operated with impunity, thriving through corruption and, quite frankly, a lack of government will and ability to attack them.

We cannot continue to accept these excuses for inaction. The leaders of these organizations are vulnerable. They are known; many are within reach of law enforcement; and countries around the world are increasingly developing the institutional capabilities to identify, investigate, apprehend, and prosecute them.

I do not want to leave the impression that this is an easy challenge for police and judicial institutions. It is not. But over the last several years we have worked hard, and invested significantly, to help countries build the

foundation for more effective police action and we now expect to see them applying these skills. We know they can do it; we see the evidence. Last year in Thailand, Operation Tiger Trap identified, located, and apprehended an entire network of key traffickers without operational compromise. In response to a stiff US challenge, Pakistan recently showed that it too can apprehend, detain, and extradite important traffickers to the United States.

There will be setbacks--traffickers will continue to exploit legal loopholes, corrupt officials, and apply new technologies and methods of operations--and we will continue to work on strengthening host nation institutions to overcome them. But both the Thailand and Pakistan examples show that the capabilities for enhanced enforcement action are there--and I believe in other countries as well--if only governments have the will to apply them.

Certification

The question of will brings me to the fourth and final element of our policy: more stringent use of the certification process.

Mr. Chairman, I reserved my discussion of certification until now for emphasis. Certification is one of the most powerful tools this government has to focus international attention on the narcotics threat and achieve results. The Foreign Assistance Act requires that each year the President identify the major drug-producing and drug-transit countries and determine whether they have fully cooperated with the United States or taken adequate steps on their own in narcotics control. The United States must cut off most foreign assistance to those countries that are not certified and vote against their requests for loans from multilateral development banks. For countries found not to be fully cooperating or taking adequate steps on their own, the President may grant a national interest certification if the vital interests of the United States require continued foreign assistance.

Last year I reported to Congress that President Clinton issued the toughest certification decision ever: 10 of the 26 major producing and transit countries were either denied certification or granted a national interest certification. This year, the process was even tougher and much of that toughness focused on Asia. We expanded the majors list to 29 countries, adding two from Asia in the process--Taiwan and Vietnam. And, in his decision on March 1, the President denied certification to five countries and granted a national interest certification to six others--a total of 11 countries, one more than last year.

These were difficult decisions based strictly on the 1994 counternarcotics performance of the countries and our national interests. There were no "rubber stamp" decisions. The President made his determinations on the basis that Congress intended--the facts of the case. Indeed, many countries with whom we have strong bilateral relations were affected. Let me summarize these decisions:

- Two countries that had been granted national interest certifications last year--Laos and Panama--were moved to the fully certified category because of their improved performance and cooperation.
- Three countries were given national interest certifications for the first time: Pakistan, for not taking significant actions in 1994 against opium crops, heroin producers, and kingpins, although Pakistan has made significant progress in 1995; Colombia, primarily for its failure to take promised actions against the Cali cartels; and Paraguay, for lack of credible action against official corruption.
- Afghanistan, which had been granted a national interest certification in 1994, was denied certification owing to a substantial rise in opium production.
- Burma, Iran, Nigeria, and Syria were denied certification again, and Lebanon, Bolivia, and Peru were given national interest certifications again.

Mr. Chairman, the President informed Congress of these decisions on March 1 and we have published a full explanation for each in our International Narcotics Control Strategy Report. I would like to focus a few comments, however, on Burma, Afghanistan, and Pakistan--the three Asian countries that were not fully certified. Before turning to them individually, however, let me say that the President's certification message this year to foreign and domestic audiences alike is strong and unambiguous: certification is an honest process and is meant to produce meaningful international narcotics control results. We will recognize and support those countries that respond positively. Two years of increasingly tough decisions, however, should be enough to convince countries that doubt our resolve, or believe that piecemeal, misdirected, or last-minute efforts to enhance counternarcotics performance will satisfy us. It will not. We expect sustained cooperation focused on the core challenges.

Burma

Mr. Chairman, I have already highlighted Burma's central importance to our overall narcotics control policy in Asia. The size of Burma's drug problem makes it imperative that the government do more to combat it. In 1994 and 1995, the Burmese Army launched limited operations against Khun Sa's Shan United Army that resulted in the capture of some SUA strongholds, the closure of some heroin refineries, and the disruption of drug caravan movements. The operations, however, had no lasting impact on the thriving drug economy.

Since signing a peace agreement with many of the largest drug trafficking insurgent groups in Burma in 1989, the government has not aggressively pursued drug enforcement measures. Reduction in opium cultivation was supposed to follow economic development. Neither development nor a reduction in opium cultivation, however, has occurred. Eradication remains so limited it has no impact on the massive amounts of opium production.

The government had the capability and opportunity to do more in 1994. It did not and, therefore, did not warrant certification.

Afghanistan

The decision to deny certification to Afghanistan reflects a substantial deterioration in the country's narcotics situation in 1994. No country experienced a greater increase in drug production. Poppy cultivation and opium production both rose nearly 40 percent to record levels: 29,180 hectares and 950 metric tons, respectively. Owing to its lack of control over the countryside, the nominal central government was limited in what it could do directly to combat the problem. Very few provincial leaders, however, made meaningful efforts to stop production or eradicate crops. Heroin processing operations on the Afghanistan side of the border with Pakistan reportedly expanded. Narcotics, meanwhile, are flowing out of Afghanistan in all directions: south and east to Pakistan which was the preferred route through much of the 1980s, west into Iran, and increasingly north into the newly independent central Asian states. The result is that the entire Southwest Asian narcotics threat is growing larger and more complex, and the immediate prospects of attacking it at its source remain bleak. I recognize that the nominal central government does not exercise control over much of the country. But we could not recommend anything but denial of certification in the face of such a performance.

Pakistan

Our decision to issue a vital national interest certification to Pakistan reflects its failure to take action against opium production, heroin laboratories, and kingpins in 1994. By 1994, the United States Government and the Government of Pakistan had made considerable investments in creating and strengthening Pakistan's counternarcotics forces, especially to orient them to the new and expanding threats of heroin processing and international trafficking.

Nevertheless, Pakistan made only modest counternarcotics progress in 1994. It extended its drug laws to the tribal areas where most opium production and heroin refining occur, but undertook no significant enforcement operations there. Authorities arrested no new major traffickers and, although the government initiated a dozen new asset seizure cases, it did not prosecute any. The government failed to arrest any of the major traffickers whose extradition has been sought by the United States since 1993, and it continued to move slowly in the prosecution of a major trafficker who was arrested in 1993. In other cases that reflect problems with corruption, key traffickers were released shortly after apprehension, with no disciplinary action taken against the officials who allowed this to happen. At best, corrupt officials tend to be removed from their assignments, but not prosecuted or otherwise penalized.

There has been a substantial turn-around in Pakistan's counternarcotics commitment and performance in 1995, in part, I submit, because the certification process drew the government's attention to this difficult problem. I acknowledge, here, before this Committee, Pakistan's improved performance. Building on a foundation laid in 1994 and previous years, Pakistan intensified its antinarcotics efforts in early 1995. The government began to eradicate opium poppies in previously off-limits tribal agencies along the Afghanistan border. Also in January, it froze \$68 million in trafficker assets and it conducted two major raids on heroin laboratories in the North-West Frontier Province. It also conducted a raid on another drug warehouse and reportedly seized 132 metric tons of drugs, primarily hashish. In response to long-standing requests, it extradited three major traffickers to the United States.

These are major breakthroughs. I wish they had occurred earlier. I strongly believe they occurred now, Mr. Chairman, in part because of the certification process. I view these steps as a strategic start in a critical heroin source and trafficking country. We will continue with our important counternarcotics programs in Pakistan and will watch closely to see if the government sustains this commitment.

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On-site Observations

Before concluding, Mr. Chairman, I would like to share with you my personal observations from the Southeast Asian countries DEA Deputy Administrator Greene and I just visited. The challenge is daunting but I am encouraged by much of what I saw.

Laos

As I noted earlier, there are a number of encouraging trends in Laos. Opium production has been steadily declining over the past five years. This is due in part to the success of alternative development projects undertaken by us, the UNDCP, and other donors in ethnic minority opium producing areas. While weather is a major factor and we remain concerned about a possible rebound this year, the long-term trend is positive.

In the area of law enforcement, there have also been encouraging developments. The special police anti-narcotics unit, which we helped establish, train, and fund, has had a number of notable successes. In one recent case, the unit seized several kilos of heroin based on information it developed unilaterally and, in a subsequent textbook follow-up investigation, seized an additional 28 kilos of heroin and arrested a number of traffickers. However, Laos needs to increase its penalties for drug trafficking--the current maximum is five years--if it wants to avoid becoming a haven for traffickers.

Laos has formulated a comprehensive narcotics control master plan that calls for the complete elimination of commercial opium production by the year 2000. This plan requires relatively modest contributions of \$35 million over five years. Unfortunately, because of its financial crisis, the UNDCP has had to scale back its program in Laos and other donors have been slow to step forward.

While in Laos, I visited our Lao-American alternative development project in remote Houaphan Province near the Vietnamese border. We have constructed roads, small dams for irrigation and hydro-electricity, health care clinics, and other facilities there to bring the nomadic hill tribe people down from the mountains, where they slash and burn the forest to grow opium, into the valleys where they can grow rice and other crops. These programs have achieved their goal. Commercial production of opium has essentially been eliminated in our project area, which until recently had been a major producing region. I am told that UNDCP projects have experienced similar success. However, to achieve our goal of completely eliminating commercial opium production, we and other donors need to sustain our assistance.

Thailand

Our oldest counternarcotics program in Asia is located in Thailand and, as indicated earlier, it is a model of what can be achieved on a long-term basis through alternative development. Our focus now is on law enforcement and I must say that the cooperation on counternarcotics between our two governments and law enforcement agencies has been truly outstanding. The arrest of ten major suspected narco-traffickers associated with the Shan United Army (SUA) is the most recent and best example of this. Senior Thai government officials told me that they hope to extradite these individuals to the United States in the near future to face trial on major heroin smuggling charges. The Thai courts also are seriously considering our extradition request for a well-known former member of Parliament wanted in the United States for smuggling shiploads of marijuana.

We have also been pleased by the efforts of the Royal Thai Government and army to seal the border with Burma to constrict the flow of supplies going to the SUA. While I was in Thailand, for example, Thai police seized three SAM-7 missiles destined for the SUA.

Cambodia

There are indications that narcotics trafficking through Cambodia is becoming an increasingly significant problem as Thai law enforcement efforts and capabilities have improved and traffickers have shifted to new routes. During the visit, I met with most of the senior leadership of the country including both Prime Ministers, both Defense Ministers, the Interior Minister, and numerous police and other officials. All with whom I spoke expressed great eagerness to cooperate with us on narcotics control. However, Cambodia currently has virtually no counternarcotics capability. Narcotics trafficking is currently not even a crime in Cambodia. When drugs are discovered, there is no laboratory to analyze the content. The anti-narcotics police do not even have basic office furniture, telephones, or other equipment. I promised to provide assistance in all of these areas within the severe constraints imposed by our budget limitations. Customs has already provided some training and DEA is currently conducting the first basic law enforcement training course. We will provide advice and assistance on drafting legislation and help with drug testing and other equipment to the extent we can.

Vietnam

I was very impressed by the political will and commitment to narcotics control that I found in my discussions with senior Vietnamese officials. They acknowledge that they have a serious trafficking and domestic abuse problem and the potential exists for that problem to

get much worse. Vietnam also produces a substantial amount of opium in the remote mountainous ethnic minority areas near the Lao and Chinese borders. For these reasons, Vietnam was added to the list of major drug producing or transit countries last year. There is already excellent cooperation between DEA and Vietnamese law enforcement officials, and both sides are committed to broadening that cooperation.

Vietnam has drafted counternarcotics legislation, and I agreed to provide expert advice and assistance in reviewing it. Vietnamese officials also indicated their intention to sign the three UN narcotics control conventions.

The UN Drug Control Program has been assisting the Vietnamese to draft a comprehensive narcotics control master plan. We anticipate providing training and other counternarcotics assistance both bilaterally and through UNDCP in the areas of demand reduction and law enforcement. A US Customs team visits Vietnam this week to conduct a needs assessment and we anticipate a DEA training team will conduct a similar survey soon.

Vietnam is clearly prepared to undertake vigorous narcotics control efforts. Just as clearly, it is in our interest to cooperate and assist them with their efforts.

China

While I did not visit China on this trip, I did briefly visit Hong Kong and I paid an extensive visit to China last year. Counternarcotics cooperation with Hong Kong has been truly outstanding and we continue to work closely on all aspects of the issue with the Hong Kong authorities.

I would like to see a greater degree of counternarcotics cooperation with China. Clearly, China has a very serious narcotics problem and it has taken some stringent measures to deal with it. Over the past several years, more heroin has been seized by China than any other country, and narcotics traffickers caught there are dealt with severely. Despite the strict measures adopted by Chinese authorities, we would like to see our counternarcotics cooperation broadened and enhanced. For example, the exchange of timely information on drug trafficking investigations needs to be improved. DEA hopes to open an office in Beijing in the near future. With the reversion of Hong Kong to Chinese authority in 1997, this is a matter of some urgency. We hope that the necessary arrangements can be completed soon.

India

While India was not on the itinerary of my recent trip, any review of the narcotics situation in Asia would be incomplete without a reference to the situation there. India

is far and away the largest producer of licit opium in the world. It supplies a very large portion of the US market. Last year, India undertook a long overdue inventory of its licit opium stockpile and discovered a 600 metric ton discrepancy between the book and actual stocks on hand. As a result, India has had difficulty fulfilling its contracts.

Diversion from the licit crop is also a serious concern. The extent of diversion is unknown because of the lack to date of an opium yield survey. We very much hope to conduct a joint yield survey with Indian officials during the next growing season.

Under the so-called "80-20" rule, 80 percent of the US market for licit opium is reserved for India and Turkey. We are currently engaged in a two-year review of this regulation to determine whether it serves the purpose of limiting diversion and securing a stable supply.

Budget

Mr. Chairman, through certification, our efforts with the multilateral organizations, and other aspects of our policy, we have set the stage for significantly improved international narcotics control efforts in 1995. In Southeast Asia, I had frank discussions with countries that have been working with us. They want to work with us. We have a foundation for progress. But we must be prepared to buttress these efforts by providing assistance to countries that demonstrate their commitment to narcotics control. We submitted a budget to do that. We are also mindful of the need to practice fiscal restraint: the President's proposal for the international affairs budget--a mere 1.3 percent of total federal spending for the next fiscal year--is already austere. It reflects important initiatives to streamline our activities and save where we can.

As I noted at the beginning of my statement, our international narcotics control program is an integral part of the National Drug Control Strategy and is vital to our broader international efforts to advance America's interests. Today America faces a choice between the concrete benefits of international engagement and the illusory appeal of isolationism. Those who say they are for a strong America must help keep America strong. We cannot have it both ways. We cannot be the world's most powerful nation if we do not marshal the resources to stand by our commitments. We cannot lead if we do not have all the tools of leadership at our disposal.

For a program that is as small as ours, yet so closely linked to the health and safety of the American people, we have borne our share of recent budget cuts. We have cut our

programs to the bone, closing our least critical foreign operations, wiping out most of our funding pipelines, and shrinking our airwing operations. We continue to postpone the implementation of new programs and, to the extent safety considerations permit, delay upgrades and maintenance. Lack of funds slows our response to the growing heroin threat.

We simply cannot sustain a credible international narcotics control program at current FY 1995 funding levels. We certainly cannot sustain it at the level recently reported out by the House Appropriations Committee for the next fiscal year. We are seeking to consolidate funding from economic and military counternarcotics assistance programs and the traditional international narcotics control budget into one account. We desperately need these funds to follow through on the source country crop control and enforcement programs that are crucial to the success of our strategy. Moreover, the consolidated budget ensures that the economic and military support funds in particular go strictly for counternarcotics objectives. This is a practical way of tightening counternarcotics oversight and providing program flexibility. It makes good fiscal, policy, and national security sense.

Conclusion

Mr. Chairman, in the post-Cold War era you can hardly find a foreign policy issue that has such an immediate and direct detrimental effect on so many Americans as the international drug trade. There should be no question that the resources we spend on combatting this problem abroad serve first and foremost the American people. I strongly believe that if we do not get ahead of this problem overseas, it will eventually overwhelm our best domestic efforts to combat narcotics abuse, crime, and poverty.

As I have briefly outlined here, we have a policy and strategy designed to strike at the heart of the international narcotics trafficking problem. It contains no magic bullets or quick solutions. Nor does it pretend to go after the easy targets; the easy targets are often the least consequential. Instead, it seeks to put pressure on the most important parts of the trade--the producers and the powerful traffickers who run it.

By taking this approach, we challenge the key countries and the rest of the international community to undertake more aggressive and effective antidrug efforts. We are running into political resistance from some countries. But we can work through this resistance with carefully designed assistance programs, effective institution-building, and honest use of the certification process. Your support will clearly strengthen our hand and accelerate the progress that recent events have shown can be achieved through focused and sustained efforts.

Thank you.



U.S. Department of Justice

Drug Enforcement Administration

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Stephen H. Greene was sworn in as the Deputy Administrator of the Drug Enforcement Administration (DEA) by Attorney General William Barr on August 17, 1992, having served in that office in an acting capacity since April 25, 1991.

Mr. Greene has been a Special Agent with DEA since 1968. He has served in field offices in Baltimore and Los Angeles, and internationally from U.S. Embassies in Saigon, Vietnam; Hong Kong, British Crown Colony and Bangkok, Thailand. Mr. Greene was DEA's Country Attache and among the last United States personnel evacuated from South Vietnam when that government fell in 1975.

Previously Mr. Greene was Assistant Administrator for Operations, responsible for the day-to-day management of DEA's intelligence and investigative operations worldwide. He also served as Deputy Assistant Administrator for Operations; Deputy Assistant Administrator for the Office of International Programs; Associate Special Agent in Charge of the Los Angeles Division; and a Senior Inspector in Washington, D.C.

Mr. Greene is a former Marine and was awarded a Purple Heart and Bronze Star with a Combat V for service in Vietnam. He received the President's Distinguished Executives Award in 1991. He received his Bachelor of Science Degree in Government and Political Science from the University of Maryland. He is married to the former M. Kathleen Carlock.

Testimony

by

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Deputy Administrator
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United States Department of Justice

before the

*House International Relations
Subcommittee on Asia and the Pacific*

regarding

Asian Heroin Production and Trafficking



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NOTE: This document may not reflect changes made in actual delivery.

Chairman Bereuter and Members of the Subcommittee: It is a privilege for me to appear before the Subcommittee today to provide you with my views regarding trends in heroin production and trafficking, and to share with you what the Drug Enforcement Administration (DEA) is doing to address it. I would like to deliver an abbreviated opening statement and submit a longer statement for the record.

Resurgence of Heroin in U.S.

Last year, newspaper headlines sounded the alarm that "SMACK'S BACK." Actually, Mr. Chairman, heroin never left the drug scene. It was just pushed off center stage by the flood of cocaine entering the United States over the last decade.

Although we have seen the problems associated with heroin before, today's problems in the United States are different, and some ways more threatening, for a number of reasons: the increased quantities and purity levels of heroin, changing methods of heroin abuse, a growing acceptance of heroin use among a new generation of users, and new traffickers and producers of heroin all combine to make our challenge more difficult.

With increasing frequency, we are seeing dramatic increases in quantities and purity of heroin being seized. In 1994, worldwide production of opium rose from 2,580 metric tons in 1988 to 3,409 metric tons. As opium production rose, we saw a number of multi-hundred kilogram seizures of heroin in various parts of the world.

In 1994, approximately 1.3 metric tons of heroin were seized domestically and reported to the Federal-wide Drug Seizure System compared to 1.6 metric tons seized during the previous year. Over 23 metric tons were seized internationally. Colombia has also entered the scene as a major source of heroin destined for the U.S. With the marketing

savvy of the Colombian cartels, and their incredible infrastructure, DEA believes that they stand ready to assume an ever increasing share of the U.S. heroin market.

In addition, analysis of data from DEA's Domestic Monitor Program shows street-level purity continuing to rise. Purity levels of heroin being sold on U.S. streets now average 40 percent, compared to 7 percent a decade ago. High levels of purity mean that supplies are plentiful and more potent.

There has also been a continued rise in the number of heroin-related emergency room drug abuse episodes. According to the Drug Abuse Warning Network (DAWN), at the end of 1993, hospital admissions for heroin-related emergencies increased 31 percent over 1992 admissions. Current estimates of the office of National Drug Control Policy, suggest that there may be 500,000 hardcore drug users who report heroin as their principal drug of abuse. A growing number of the 2.1 million hardcore (weekly) users of cocaine are also using and increasing their use of heroin. The typical heroin user today consumes more heroin than a typical user did a decade ago.

In addition to more heroin being available at much higher purity levels, changing patterns of administering heroin may make this resurgence much more dangerous. While injection continues to be the primary method of administering heroin, an increasing number of heroin users are now snorting, or inhaling, the drug because of its higher purity and because of the fear of AIDS. In 1994, treatment data from New York City indicates that 54 percent of those coming in for treatment are snorting heroin; whereas 44 percent are injecting it.

This disturbing trend is a particular cause for concern for two reasons:

- New heroin users are being lulled into a false sense of security in believing that because they inhale the drug, they are less likely to become addicted, and
- Since inhalation requires a very high purity level to be effective, drug experts believe that any reduction of the purity levels could lead to a switch to administration by injection, thus creating a whole new population of intravenous heroin users.

A troubling phenomenon that we are witnessing with the resurgence of heroin is the fading of the social stigma that was once attached to that drug. Heroin is now fashionable and chic in certain social circles, including among rock stars and the club scene. Today, the attitude of heroin users is reminiscent of the cocaine user in the Seventies and early Eighties, when cocaine use was rationalized as non-addictive and recreational.

Mr. Chairman, as a DEA Agent who has spent my entire career fighting against drugs, I'm very concerned about the extent of our heroin problem. Surveys do not tell the whole picture because they generally lag behind the current situation. Enforcement indicators have been showing that heroin is more available and purer than ever before.

Heroin Trafficking Patterns

Several routes are used to transport heroin to the United States. A major route originates in Bangkok, transits Taiwan, enters the U.S. at one of several West Coast cities, and end up in New York City, the largest importation and distribution center in the United States for Southeast Asian heroin. Since 1986, roughly half of DEA's and the U.S. Customs Service's nationwide heroin seizures have occurred in the New York City metropolitan area.

Some shipments are direct to New York, while other cities on the East Coast, such as Boston, are used as entry points. Recent seizures have shown that these organizations are capable of using any deep water port for entry. For example, in 1993, 327 pounds of Southeast Asian heroin were seized in New Orleans. This shipment was bound for New York. Depending on the street-level purity, this seizure alone was enough to flood the streets of New York City with over 5 million \$10 bags of heroin.

Heroin trafficking in the United States is controlled by diverse, multi-ethnic groups of traffickers who supply heroin from a variety of sources to heroin users in this country. This situation is further complicated by the different languages and dialects used by these groups. Aggressive heroin traffickers, like West Africans, have joined the traditional Asian, Turkish, Middle Eastern and Mexican heroin traffickers in the heroin trade. Heroin smuggled into the United States originates from one of four distinct source areas: Southeast Asia, Southwest Asia, Mexico or South America.

Unlike the strict, vertically controlled distribution systems typical of cocaine trafficking organizations, heroin traffickers operate through a loosely organized system of brokers and investors. Rarely does a shipment of heroin remain under the control of a single individual or organization as it moves from the overseas refinery to the streets of the United States.

Ethnic Chinese investors in New York, for example, will pool their resources to import a shipment of heroin. The group will contact a broker in Hong Kong or Taiwan who has access to other brokers in Thailand. The Thailand broker will place an order with one of the heroin refining organizations that operate along the Thailand/Burma border. When ready, the heroin will be delivered to the broker in Thailand. Depending on the number of intermediaries involved, the heroin will make its way from broker to broker until

it reaches the investors in New York. Once paid, the broker has no further interest in the shipment. Upon receipt by the investors, the heroin may be divided between the parties based on the investment share or sold in one lot to a mid-level or street distributor.

Within U.S. borders, there are overall regional heroin distribution patterns that are fairly distinct. For example, at the wholesale level, Southeast Asian heroin is dominant in the northeastern United States and along the east coast. Mexican heroin is prevalent in the western states and some large mid-west cities. Southwest Asian heroin is available to a limited extent in both west coast and east coast cities, as well as some Midwestern cities. South American heroin is available primarily in the northeastern United States, with most of it entering the U.S. in Miami and New York City.

During 1994, DEA's Heroin Signature Program (HSP) analyzed more than 800 U.S. heroin seizures. The HSP results indicate that some 57 percent of the seizures by net weight originated in Southeast Asia, 32 percent in South America, 6 percent in Southwest Asia, and 5 percent in Mexico. [A signature for South American heroin was implemented in July 1993.] The relatively high percentage for South American heroin may, in part, be due to the large number of seizures of South American heroin at Miami International Airport and New York's J.F.K. International Airport.

Southeast Asian Heroin Trafficking

Southeast Asian heroin trafficking is often controlled by ethnic-Chinese which oversee the smuggling of heroin into the United States. These traffickers are capable of moving multi-hundred kilogram shipments from the Golden Triangle (Burma, Laos, Thailand) to the United States. Many of these trafficking organizations regularly smuggle

shipments of 50 to 70 kilograms into the United States. Nigerian groups often smuggle Southeast Asian heroin, but usually bring in smaller quantities.

The heroin organizations use a variety of smuggling methods. Generally, the shipment size determines the smuggling method. The largest shipments, ranging from 50 to multi-hundred kilogram quantities of heroin, are secreted in containerized freight aboard commercial maritime vessels and air freight cargo. Smaller shipments are concealed in the luggage of airline passengers, strapped to the body, or swallowed.

Southeast Asian heroin smugglers also use the mail and delivery services to transport multi-gram to kilogram quantities into the country. In mid-1993, DEA Orlando seized approximately 2 kilograms of heroin that had been mailed from Hong Kong to Florida and was destined for New York City.

Traffickers are also using commercial cargo originating in source countries and are attempting to disguise the origin of the cargo shipment by first transshipping containers through several other countries or by falsifying the container documentation. Some shipments from the Far East are transshipped through Canada and then into the northeastern United States. In addition to New York City, other U.S. cities in the Northeast, including Boston and Philadelphia, are used as entry points. Traffickers also use West Coast cities, such as Los Angeles, San Francisco, and Seattle, as entry points for heroin shipments destined for the Northeast.

Nigerian traffickers

Nigerian-controlled organizations are also entrenched deeply in the smuggling and distribution of Southeast Asian heroin. Nigerian organizations operate in several large

metropolitan areas across the country. Nigerians supply established heroin distribution networks in U.S. cities, such as Atlanta, Baltimore, Chicago, Dallas, Houston, Newark, New York, San Francisco, and Washington, D.C. These networks are capable of supplying heroin ranging from 100-gram to multi-kilogram quantities on a regular basis.

Nigerian traffickers dispatch large numbers of couriers who use "body carry" techniques, luggage concealment, and ingestion to conceal heroin. These couriers travel aboard commercial airlines from Southeast Asia, often transiting Europe and Africa bound for the United States. The couriers, including Nigerians as well as recruits of other nationalities, smuggle from 1 to 10 kilograms of heroin per trip. The average seizure is 5.7 kilograms per courier. Recent seizures in the Far East suggest that some Nigerian traffickers are experimenting with smuggling larger, multi-kilogram shipments of heroin from source countries to Nigeria concealed in commercial maritime cargo.

Most Nigerian organizations remain based in Lagos, Nigeria. Since they are formed along tribal lines at the senior levels, the organizations are close-knit but loosely structured. Drug barons who control the Nigerian organizations remain well-insulated by directing lower-level traffickers to recruit the numerous couriers, often non-Nigerians, and to organize travel to the United States. Within the United States, Nigerian heroin organizations appear to be structured loosely, but are extremely streetwise in their trafficking, protecting themselves by relying heavily on the use of multiple identities, aliases, and communications via pay phones rather than violence.

During the past year, Nigerian traffickers diversified both the smuggling routes used to reach the United States and their points of entry into the country. For example, two U.S. citizens—recruited by Nigerians—flew from Baltimore, Maryland, to the Netherlands and then to Nigeria, where they were given 6 kilograms of heroin. The couriers then flew

from Lagos to Mexico City and attempted to cross into the United States at San Ysidro, California, where they were arrested.

Southwest Asian Heroin Trafficking

Importation and distribution of Southwest Asian heroin is much less centralized than that for Southeast Asian heroin, both geographically and in regard to trafficking groups. A number of ethnic groups from Southwest Asia and the Near Middle East are active in smuggling Southwest Asian heroin into the United States and in its distribution. These groups include Afghans, Greeks, Iranians, Israelis, Lebanese, Pakistanis, and Turks.

Southwest Asian heroin is transported to the United States directly from producing countries, as well as transshipped through Europe and Africa. Quantities of Southwest Asian heroin bound for the United States also are transshipped through Vancouver, Canada. Although New York City is a major Southwest Asian heroin importation and distribution center, heroin is smuggled into, and distributed throughout the Northeast; the Mid-Atlantic cities, such as Baltimore and Washington D.C.; certain West Coast cities, such as Los Angeles, San Diego, and San Francisco; and some Midwestern cities, including Chicago and Detroit.

Most Southwest Asian heroin trafficking groups in the United States are highly cohesive and difficult to penetrate because they are based on ethnic, familial, religious, and tribal relationships. Southwest Asian heroin importers and wholesale level distributors generally are cautious, rarely transacting business with outsiders. As a result, Southwest Asian heroin trafficking and distribution generally are more prevalent in cities, such as

Chicago, Detroit, and New York City, that have large populations from Afghanistan, Greece, Lebanon, Pakistan, and Turkey.

Both large, well-organized Southwest Asian heroin trafficking groups and small, independent traffickers are drawn to the U.S. heroin market. In general, the largest organizations trafficking Southwest Asian heroin supply established distribution networks throughout Europe, the primary market for Southwest Asian heroin.

The U.S. market is a secondary market for these traffickers. Most of these organizations store heroin supplies in Europe for security purposes and only send shipments to the United States once a buyer has been identified and proven capable of payment. Most organizations demand partial payment in advance and the balance upon delivery of the heroin shipment to the United States. In addition to the large organizations, smaller independent Southwest Asian heroin traffickers are attracted to the U.S. market because Southwest Asian heroin is more profitable in the United States than in Europe. Independent traffickers can maximize profits for the smaller quantities of heroin they smuggle and distribute by selling that heroin in the United States.

Southwest Asian traffickers rely less on commercial cargo as a smuggling method than their counterparts from Southeast Asia. Generally, Southwest Asian heroin traffickers do not smuggle heroin in multiple bulk shipments. However, they are able to smuggle shipments ranging from 1 to 20 kilograms regularly and, on occasion, larger amounts.

Many Southwest Asian heroin trafficking organizations use commercial cargo and couriers on commercial airlines to smuggle 1 to 5 kilograms on a steady basis. However, several organizations are capable of smuggling from 5 to 10 kilogram shipments aboard maritime vessels on a fairly regular basis. For example, three Pakistanis were arrested in

Baltimore, Maryland, after crew members of a merchant vessel docked in the harbor delivered 5 kilograms of Southwest Asian heroin. The heroin had been smuggled aboard the vessel from Pakistan.

Southwest Asian heroin is occasionally transshipped through California and the West Coast, where several Iranian-controlled organizations operate. A DEA-Customs investigation in Los Angeles uncovered Iranian traffickers who smuggled heroin shipments from Istanbul, Turkey, to Los Angeles in air cargo. Early in 1993, DEA Special Agents seized approximately 20 kilograms of Southwest Asian heroin that had been concealed in an air cargo shipment of glassware and chandeliers.

Mexican Heroin Trafficking

Mexican black tar heroin, as well as the less popular brown powdered form, is produced almost exclusively for the U.S. heroin market. Organizations composed of Mexican nationals and Mexican-Americans control the smuggling and distribution of Mexican heroin to—and within—the United States. Trafficking organizations supplying Mexican heroin are close-knit and are often made up of family members, lifelong friends, and other trusted associates.

Independent trafficking organizations in Mexico have become the primary traffickers of Mexican heroin. However, some Mexican organizations still control the entire process from opium production and heroin processing in Mexico to the management of transportation and distribution networks in the United States.

Mexico's extensive land border with the United States provides smugglers numerous entry points into the country. Traffickers take advantage of their proximity to the

United States by storing the larger quantities of heroin in Mexico and then smuggling smaller amounts as transactions in the United States are arranged. Even large, poly-drug organizations—capable of smuggling multi-ton quantities of cocaine and marijuana—limit smuggling of Mexican heroin into the United States to kilogram and smaller amounts.

South American Heroin Trafficking

The availability of South American heroin in the United States is increasing. Today, the Colombian heroin trade is dominated by independent traffickers who operate outside the control of either the Cali or Medellin drug mafias. In time, however, the Cali drug mafia is expected to exert control over opium poppy cultivation and heroin production within Colombia, as well as over the international wholesale distribution of heroin from Colombia.

The threat to the United States from South American heroin has increased significantly in recent years. In 1994, approximately one third of the heroin seized in the United States originated in Colombia. Unless checked, Colombian drug traffickers are poised to become even more important players in the U.S. heroin market within the next decade.

Cultivation of opium poppy in Colombia has increased dramatically, as well. In 1991, we estimated that Colombia had 2,500 hectares of opium poppies under cultivation. In 1994, that estimate had risen to almost 25,000 hectares—which demonstrates Colombia's potential of being a major heroin source country.

In fact, Colombia now ranks third in worldwide poppy cultivation—behind Burma and Afghanistan. Combine Colombia's heroin-producing potential with their already well-

established transportation, wholesale distribution, and money laundering networks around the world, and DEA believes that they stand ready to assume an ever-increasing share of the U.S. heroin market.

Since 1991, most of the South American heroin smuggled into the United States has been transported by Colombian couriers aboard commercial airlines, a method requiring numerous couriers carrying small amounts ranging up to 1 or 2 kilograms per trip. The couriers commonly transported the heroin in false-sided briefcases and luggage, inside hollowed-out shoe soles, or by ingestion.

The primary smuggling method employed by Colombian traffickers and the shipment size, averaging just over 600 grams, indicate that the Colombian traffickers are not yet able to supply bulk quantities of heroin. To date, the largest seizure of heroin from Colombia was a June 1992 airdrop of just under 15 kilograms of heroin on a Puerto Rican beach. However, current investigative reporting indicates that the Colombian traffickers are making increased efforts to supply multi-kilogram quantities at both source and transit country locations, to include delivery to the U.S. market.

Colombian heroin traffickers have established distribution outlets in the United States, particularly in the metropolitan areas of the Northeast. High purity is essential for Colombian traffickers to break into the fiercely competitive U.S. heroin market, especially in the northeastern metropolitan areas. In New York City, Boston, Newark, and Philadelphia, street level heroin purity averages over 60 percent. Colombian traffickers smuggle heroin that is 80 to 99 percent pure.

Colombian traffickers use a variety of tactics to establish mid-and retail-level outlets for their heroin. In addition to providing heroin of unusually high purity, Colombian

traffickers offer free samples of heroin to potential distributors, and offer to front ounce and multi-ounce quantities of heroin to first-time buyers. Finally, Colombian traffickers undersell competitors in some cities in an effort to win over customers. This is most evident at the mid-and retail-level where South American heroin is most available. Ounce and gram prices for South American heroin are well below those for Southeast Asian heroin.

Heroin Trafficking in Eastern Europe

Information on the capabilities of the Commonwealth of Independent States and the Baltic Republics, remains sketchy. Heroin traffickers have exploited the difficult political and economic transitions occupying Russia and the Central Asian Republics. The transition of these nations toward a market economy has also promoted opportunities for money laundering. Most criminal organizations in Central Asia are local and ethnic-based, however, their relative sophistication is increasing.

Traffickers use land routes to the Baltics and then move heroin by sea to other markets. Drugs also are moved from Turkey across the Black Sea to Romania and then elsewhere. The Crimean ports of Odessa and Sevastopol are used to stage shipments through Ukraine and Belarus to Poland, according to a European study. Pole and Czech traffickers are mentioned more frequently, along with traditional smuggling organizations composed of Iranians, Italians, Kurds, Turks, and Yugoslavs. In June 1993, Armenian authorities destroyed illicit opium poppy plantations and in August, police arrested several criminals moving opium from Afghanistan through Uzbekistan.

Because these countries do not have adequate resources to address the myriad drug law enforcement problems facing them, the United States Government has made a

commitment to assist in training their law enforcement personnel. The drug law enforcement training needs of the Commonwealth of Independent States and the Baltic Republics have been thoroughly assessed by DEA, and we have embarked on an aggressive training program to satisfy those needs. We have conducted regional training programs in Russia and three other states, as well as providing executive training programs here in the United States.

Afghan traffickers have been looking northward as a result of growing economic and cultural ties with Central Asia and a tightening of security along the border with Pakistan. In recent years, hundred-kilogram quantities of opiates have been smuggled on Russian rails from Afghanistan to Western Europe.

Kilogram quantities of heroin, shipped from Thailand and India for European consumers, also have been seized at Moscow's international airport. Although Russian authorities, in the past, have attributed trafficking in their country to foreign criminals, there is now unequivocal recognition of the role being played by Russian and Central Asian organized criminal groups.

With the capability to smuggle large quantities of drugs from Afghanistan and Iran, ethnic-based criminal gangs have expanded their international criminal contacts to plan the movement of drugs. Initially expanding their activities on the periphery of the former Soviet Union and in Eastern Europe, Russian criminals have become more active throughout Europe and in the United States, particularly in New York, Florida, and Pennsylvania.

Citing the need to fight organized crime and drug trafficking, the Russian Interior Minister signed an agreement with India to increase cooperation among law enforcement

components. In 1993, European police authorities expressed concern over the potential for an increase in drug trafficking through the former Soviet Union. European sources, explaining their apprehension, cited the Russian police forces' loss of nearly 20 percent of its personnel and the 1992 deaths of 300 officers in the line-of-duty. Ethnic criminal groups composed of Armenians, Azeris, Chechens, Georgians, Russians, and others were cited for involvement in drug trafficking.

The major opium poppy growing regions in the Commonwealth of Independent States are the Central Asian states of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan. In August 1993, authorities seized 1.2 metric tons of morphine base/heroin from a Turkish truck in Uzbekistan. Some states, notably Kyrgyzstan, Kazakhstan, and Uzbekistan, cooperated on drug law enforcement but remain plagued by personnel and equipment shortages and overwhelmed by civil strife, violence, and other national security issues.

DEA's Heroin Strategy

Heroin is a global problem that requires a global response. Cooperative programs on a regional and worldwide basis are the only way to effectively address the problem. We also must wage a concentrated attack on every link in the chain of heroin production, beginning with opium poppy cultivation, going through manufacturing, financing and transportation, and concluding with the distribution networks in every country.

DEA's overall heroin strategy is structured to disrupt, dismantle, and destroy the major heroin trafficking organizations that are responsible for the production, transportation, and distribution of heroin destined for the United States and other world markets. This strategy is DEA's framework for planning, directing, and supporting major

investigations and operations that target the highest level of the heroin traffic. The intent is to focus and coordinate U.S. Government efforts to combat heroin trafficking in and through the various geographical regions.

The strategy identifies and sets priorities targeting the most important heroin traffickers in the United States and foreign countries for intelligence collection and exploitation and ultimately arrest and incarceration here and abroad. Unlike cocaine, heroin is produced in four distinct geographic areas of the world each with its own methods of production, transportation and distribution. This diversity calls for separate heroin strategies for each geographical area. DEA has developed a three-pronged strategy to attack the various levels of traffickers in each geographical area. DEA's three-pronged strategy focuses on: 1) **Production and Refining**, 2) **Transporters, Brokers, and Bankers**, and 3) **Domestic Distributors**.

DEA has already undertaken a number of initiatives to implement its three pronged strategy:

In Southeast Asia, DEA's Bangkok office is using intelligence to target the command, control and communication centers of heroin production in the "Golden Triangle" and the link to heroin brokers in Bangkok, Taiwan, and Hong Kong.

DEA is also devoting added resources and developing data bases to target the transporters of Southeast Asian heroin located in Bangkok, Taiwan and Hong Kong. We have also targeted Nigerian transportation organizations who, on the basis of recent domestic and foreign courier and containerized seizure activity, have now become a force to be reckoned with in the Southeast Asian heroin trade. As with the producers, intelligence and surveillance is being used to target the command, control and communication centers of these transportation organizations.

In addition, DEA is planning to open an office in Beijing in the People's Republic of China (PRC) when Hong Kong reverts to the PRC in 1997. Opening this office will help DEA and the PRC coordinate our responses to the Chinese narcotics organizations, who transport Burmese heroin through the PRC and neighboring countries for shipment to the United States. These groups will work with other Federal, state and local law enforcement agencies to identify and dismantle those trafficking organizations most responsible for heroin distribution and the subsequent violence it has spawned in communities across the United States.

The President has asked Congress for funds in next year's budget to hire 30 additional agents for heroin enforcement groups in a number of our domestic field offices.

Tiger Trap

One of the most successful initiatives launched to address heroin trafficking on an international scale was DEA's **Operation Tiger Trap** which targeted members of the Shan United Army in Thailand for prosecution and aimed at disrupting the supply of heroin from the Shan United Army to the United States.

As a result of this operation, the Royal Thai Government—in coordination with DEA, DOD, INS, and Customs—arrested 10 high-level heroin traffickers throughout Thailand. These defendants are the most significant heroin traffickers arrested by the Thai police in the past 25 years. All 10 were charged in the United States for trafficking multi-hundred kilogram quantities of heroin to the U.S. and are pending extradition.

DEA has also responded to the emerging Asian organized crime threat here in the United States. DEA Field Divisions with large urban areas are attacking distributors at all

levels with an eye toward developing evidence on the their Southeast Asian heroin sources of supply. This not only allows our Field Divisions to impact on lower level organizations with a propensity for violence, but also to identify command and control centers for further data collection and exploitation. By using the natural instinct of DEA Agents to work up the distribution chain, DEA will be able to identify multi-kilogram distributors linked to transporters and brokers.

In 1986 the New York Field Division established an Asian Heroin Task Force to focus enforcement action on Southeast Asian heroin trafficking organizations operating in New York City. Earlier this month, the task force concluded a two-year joint investigation with the indictment of 24 members and associates of the "Ghost Shadows" and "White Tigers" Asian gangs, who were charged with heroin trafficking and racketeering. The successful conclusion of this investigation reinforces my belief that more heroin task forces are needed in other cities to effectively combat the growing heroin problem.

Last November, for example, 19 members of the **Flying Dragons**, one of Chinatown's most notorious and violent gangs, were arrested. In the past five years, the Flying Dragons were responsible for importing over 400 units (600 pounds) of 90 percent pure Southeast Asian heroin into New York.

Los Angeles is another major entry point for Southeast Asian heroin largely because of its large and diverse Asian community. Unlike New York, however, Los Angeles does not have an entrenched Chinese syndicate controlling its heroin trafficking. Instead various ethnic groups including Chinese, Thai, Vietnamese, Koreans, and others participate in the trafficking.

DEA Los Angeles Field Division's Group 4 was formed 10 years ago and has been successful in removing several violent traffickers from the streets, including the principal members of a violent local street gang called **Ninja Clan Assassins**.

Until they were arrested, these gang members were involved in extortions, robberies and kidnappings in the Chinatown area of Los Angeles. Group 4 was also responsible for arresting members of other Asian heroin groups, including the **Big Circle Boys**, **Wo Hop To**, and the **Black Dragons**.

To address the emerging threat posed by Nigerian and West African heroin trafficking organizations, we have initiated an in-depth review of this problem to identify the nature and extent of these groups, determine how they build support and infrastructure, and uncover where they are vulnerable to aggressive law enforcement programs. This information will supply a wealth of intelligence to support ongoing and future initiatives against these heroin trafficking groups.

Production, transportation, and distribution of Mexican heroin, unlike Southeast Asian heroin, is controlled by interrelated groups, though these groups are not necessarily vertically integrated. From the opium fields to the initial distribution in the United States, Mexican heroin is controlled by Mexican traffickers and transporters. DEA is targeting these trafficker and transportation networks with the intent of providing actionable intelligence to DEA's Field divisions to target domestic distribution organizations and to DEA's office in Mexico City to target production sites. DEA is currently working closely with the FBI and the Department's Criminal Division to develop a Department of Justice strategy targeting Mexican heroin trafficking organizations along the Southwest border of the United States.

Colombian organizations, who control the South American heroin trade, operate in a similar manner as their Mexican counterparts. DEA is targeting the distribution end of these organizations in the Northeast United States. The objective of this program is to collect intelligence on command and control centers to provide targeting data on distribution organizations to cities and states outside the Northeast United States and to our Bogota office to target production and transportation centers.

Southwest Asian heroin organizations are much more fragmented than the other three groups, thus making targeting of their production, transportation and distribution more difficult. DEA is currently concentrating its efforts on the transportation hub of Istanbul, Turkey which will be very important to enforcement efforts in Europe that will provide DEA with the necessary intelligence to target distribution organizations in the United States and production centers in Southwest Asia.

In order to address the threat posed to the United States by drug traffickers operating in Eastern Europe and Central Asia and to provide technical assistance to the local law enforcement authorities in these areas, DEA plans to open an office in Moscow in the near future.

In other efforts, DEA continues to use Operation Pipeline, Convoy and Jetway to target the interstate transportation of heroin in much the same way as cocaine shipments are intercepted. These operations have proven to be efficient and successful. Through these operations, DEA works directly with state police organizations to target all modes of land transportation for interstate heroin transportation.

To attack the vulnerabilities of violent drug organizations, cooperative efforts with state and local officials will be expanded and enhanced through DEA's Violent Trafficker

Program, an initiative that focuses on local issues and the relationship between violence and drugs. Through this program, we have strengthened efforts with our state and local partners by targeting drug-related violence, particularly in inner cities. Once these violent traffickers have been identified, we work through our state and local task forces to put these organizations out of business.

DEA will continue to develop and implement initiatives to address the many complex heroin threats posed by the diverse trafficking groups now producing and trafficking heroin.

QUESTIONS FOR THE RECORD SUBMITTED BY CHAIRMAN
BENJAMIN A. GILMAN, HOUSE COMMITTEE ON INTER-
NATIONAL RELATIONS TO

THE HONORABLE LEE P. BROWN, DIRECTOR OF THE OFFICE
OF NATIONAL DRUG CONTROL POLICY

RESPONSES FROM THE OFFICE OF NATIONAL DRUG CONTROL POLICY TO
QUESTIONS FOR THE RECORD, JUNE 21, 1995

1. QUESTION:

Mr. Brown, your recent report "What Americans Spend on Illegal Drugs, 1988-1993" states that the total amount of money spent in 1988 (\$64 billion). The current report covers the years 1988-1993, years that do not include significant data on Clinton Administration approaches. Preliminary reports for 1994, in fact, suggest a resurgence in drug use, particularly in heroin consumption, as well as among young people, beginning in 1993. How do you reconcile these data with the findings in this report? Why is there no breakdown of the data?

ANSWER:

Your question raises three issues. The first is that the most recent iteration of the report titled *What America's Users Spend on Illegal Drugs, 1988-1993* (Attachment 1) only covers the years 1988 through 1993. This report, as well as the entire historical series of the same name, uses four principal data sources: the National Household Survey on Drug Abuse, the Drug Use Forecasting System (DUF), the System to Retrieve Drug Evidence, and the International Narcotics Control Strategy Report. When this report was drafted at the end of 1994, the most recent data available was used, which were generally for 1993. The next iteration of the report will use 1994 data, which is expected to be available by late 1995 or early 1996.

The second part of the question implies that a recent resurgence in heroin use is not reflected in the report. Ongoing research indicates that the street price of heroin has fallen while its purity has risen. This is not a new phenomena -- prices and purity for heroin have remained fairly flat since about 1988. According to our *Pulse Check* series and other information from researchers in the field, lower price and higher purity seem to have generated some new users, although there is little evidence that lower price/higher purity has increased the size of the population of new hard-core users.

To better understand the current and emerging heroin situation, ONDCP asked NIDA to investigate this problem and report back in 1991. ONDCP commissioned two contractors to investigate the issue; their reports were delivered in 1992 and 1993. Abt Associates researched this issue for the National Institute of Justice; delivering a report in 1995. Although some increase in heroin addiction that could be attributed to lower prices and higher purity was found, none of these four studies found a large increase in new heroin addicts.

Indeed, the number of hard-core users seems to have fallen, partly because they are increasingly incarcerated and partly because many have been incapacitated (or died) from HIV/AIDS. Because hard-core users account for such a large proportion of all heroin consumed, they account for the trends reported in the retail sales paper.

As to a further "breakdown" of the data, it is unclear which breakdown is requested. The purpose of this report is to provide a supportable estimate of the size and composition of the retail market for illicit drugs. That is the only "breakdown" germane to the issue. The body of the report and the appendices provide complete data. If a further "breakdown" is needed, we would be pleased to respond accordingly. However, further "breakdowns" may not necessarily provide material desired, for example, a "breakdown" by young people would show that their use of heroin is minuscule relative to the total amount of heroin used in the country. Such a "breakdown" was omitted because it is not relevant to estimate retail sales, which is the purpose of the report.

2. QUESTION:

In reference to the above question, what would the data look like for the first two years of the Clinton administration alone, when you had severely reduced interdiction and international narcotics budgets? In other words, how does the Clinton administration's record look when viewed on its own, without reflecting previous Republican administrations' accomplishments. [80% reduction in cocaine use 1985-1992 e.q.]

ANSWER:

If we are correct that heroin use is declining because hard-core heroin users are increasingly incarcerated and being incapacitated by AIDS, then total heroin use will probably decline. In all probability, there will be some new heroin users, but the best current data -- the *Pulse Check* and the reports of the Community Epidemiology Working Group (CEWG) -- do not identify any major resurgence of heroin use. Regarding cocaine, we see no reason for trends to change; we now see a decreasing or flat level of use.

Recent *Pulse Checks* imply that authorities see cocaine and crack use as abating. For marijuana, recent indicators are that use is increasing, and given that prices appear to be falling, there is concern that marijuana use may go up. Bear in mind that these estimates have a significant margin of error, and a small increase or decrease in the estimates may just mean that there is not much change, overall, in the size of the retail market.

It is not possible to provide data that separates out the first two years of the Clinton Administration in this iteration of the report because it was drafted at the end of 1994, and based on the most current data available at that time: 1993. The Household Survey for 1994 will not be released until September, 1995. At that time, work can begin on the next iteration of the material.

3. QUESTION:

The executive summary of your report (p.3) states "Between 1988 and 1993 the expenditures on cocaine and heroin appear to have fallen. This trend results partly from a decrease in the number of users, but is due mostly to a decrease in the street prices of these two drugs" (end quote). The report also states that the hardcore addict population for both drugs has remained relatively constant (and increased for heroin users in 1993 over 1992). The fact this hooked group's demand for drugs is highly inelastic, and that this population purchases the bulk of illicit drugs consumed (Table 3), points to supply as the primary determinant of street price. Therefore, the real cause for lower street prices, and hence, reduced overall spending on consumption, is a glut in the supply of cocaine and heroin, and not reduced demand. Do you agree with this argument? If so, does the report represent a concession by the Administration that its supply reduction efforts have been a dismal failure?

ANSWER:

At this time, opium seems to be more readily available throughout the world, at least some of which enters the United States -- reputed to be the world's most lucrative heroin market. Some of the extra heroin that enters the U.S. likely finds its way to the street, where it probably puts downward pressure on prices.

There is also some evidence that the nature of heroin market has been changing. For example, the *Pulse Check* indicates that cocaine dealers are adding heroin to their standard inventory of wares, and these market innovations may drive the price down. On the other hand, there are fewer and fewer hard-core heroin users, and thus, part of the price drop is likely to be demand induced. As a result, heroin prices have changed very little since 1988, and may have reached a minimum level that compensates dealers for the risks inherent in selling heroin.

There is no strong evidence that cocaine supply has changed relative to demand since about 1988. Prices have not changed much over that period. A single exception is 1990, when the Medellin cartel collapsed, and a temporary shortage of cocaine seems to have increased prices (see the ONDCP Report titled *Price*

and Purity of Cocaine: The Relationship to Emergency Room Visits and Deaths, and to Drug Use Among Arrestees, October, 1992, (Attachment 2).

The fairly constant price for cocaine is consistent with the cocaine market's reputation as monopolized by Colombian suppliers.

The assumption is that a monopolist sets an optimal price and maintains it by manipulating supply. It makes no sense for a monopolist to over-supply the market, so we doubt that there is any cocaine glut. What we think has happened in recent years is that sellers have maintained an inventory in, or perhaps very near to, this country, and that they have used that inventory to moderate fluctuation in cocaine prices.

Experts have speculated that when marijuana prices become sufficiently high, or when enforcement pressure reached a high enough level, domestic growers of marijuana would adopt high-cost production methods, such as in-door growing. This appears to have happened. The increased supply of marijuana may be driving prices down from the peak levels reached in 1993. While somewhat speculative, we do know that marijuana prices have fallen in the last year. To say there is a "glut," however, leaves no explanation as to why prices have increased almost constantly since 1981, when our special study of drug price series based on the DEA STRIDE data began. Marijuana prices remain very high relative to what they were in the early and middle 1980's.

The question assumes that the "hooked" group's demand for drugs is highly inelastic. In fact, we think that hard-core users' demand elasticity is about "one." There is little or no change in the amount spent on drugs as the price fluctuates. While these users are "addicted" their patterns of use do respond to changes in price, purity, and availability. We see little changes in an individual hardcore user's money spent on drugs (according to DUF data) as prices fluctuate. The responsiveness of new users to price changes is likely to be much different, but at this time, no one has been able to provide a credible measure. If every individual user's demand is perfectly inelastic, a falling number of users will lead to falling prices (*ceteris paribus*). We need not infer that there is a "glut" of drugs.

If we use the street price of cocaine and heroin as an indicator, and believe that prices are purely a product of supply, which appears to be false, then the current Administration's performance restricting supply is on a par with the previous Administration. Cocaine and heroin prices have not changed much since 1988.

4. QUESTION:

The press release accompanying your report attributes the decrease in spending on drugs to fewer users and lower street prices. However, your report states "Because this report focuses on the amount spent on illicit drugs, and the amount available, we will not discuss in detail the prices and purity." (see p. 38) Why are street prices and purity levels not addressed in the report, and how can any statements as to the reason behind lower national spending on drugs be made without analyzing such an important components as street price and purity levels? Please provide DEA data on trends in price/purity by quarter from the earliest reports to date that underpin this argument. Include estimated standard price.

ANSWER:

Retail prices play an important role in the subject report. Table 4 (page 18) presents our best estimates of retail prices, and the Appendix describes the methodology. We rely upon the *DEA STRIDE* data series, and base a special analysis on that data. We cannot provide *DEA* data on price/purity by quarter, but have attached our own series based on that data, which should satisfy your request. (Attachment 3)

5. QUESTION:

Major cities like New York are awash in high purity, cheap heroin, are experiencing unprecedented levels of drug related emergency room cases, are seeing some cocaine dealers switching to the more lucrative heroin market, and are continuing to experience high rates of drug related violence. Moreover, your office's Spring 1995 Pulse Check report pointed to an emerging trend of former heroin addicts returning to drug use due to the widespread availability of inexpensive, high purity heroin (see page 7). Given these facts is it not logical to assume that the current administration's emphasis on treatment over interdiction is a failure since supply influences cost and both of these impact on use?

ANSWER:

Emergency department cases are up, but this increase is inconsistent with all other drug use indicators. While this inconsistency has not been adequately examined, two explanations seem plausible.

First, crack cocaine users are often reported to add small amounts of heroin to their crack or to use one after the other to take the edge off the crack cocaine crash, especially if the price of heroin is low and purity high. This practice appears to

be increasing, and probably accounts for at least some of the increase in emergency room mentions for heroin. An individual who goes to an emergency room after using cocaine and heroin generates one emergency room mention for cocaine, and one emergency room mention for heroin.

Second, most emergency room mentions for heroin result from people seeking treatment. This means that emergency room statistics are more of a lagged-indicator rather than a current-indicator of heroin use, because treatment seeking behavior typically lags behind entry into the category of hardcore drug use. There is no definitive answer, but we do know that emergency department admissions are inconsistent with other indicators.

This report does not address the question of whether demand reduction or supply reduction is the most effective anti-drug policy. Information on that issue can be found in the RAND Report, titled *Controlling Cocaine: Supply Versus Demand Programs*, a copy of which is attached. (Attachment 4)

6. QUESTION:

The number of cocaine and heroin related emergency room admissions has traditionally held an inverse relationship to the street prices of those drugs. Nationally, in 1993 heroin related emergency room cases rose by roughly 31% over the previous year. In 1994, we saw a startling 44% rise in heroin related emergency room cases in one six month period. Does this evidence of greater heroin use mesh with the argument in your report that there are fewer "Occasional" users of heroin (p. 12)? Or does it reflect the argument that with lower street prices and higher purity come more users?

ANSWER:

Allow me to clarify the economics of supply and demand raised by this question. Drug demand appears to be sensitive to price; i.e. the lower the price the greater the demand. This is what economists refer to as movement *along the demand curve*. But price is not the only thing that influences demand. As stated above, prison prevents many hard-core drug users from using drugs, and HIV infection and AIDS prevents more.

Over time, drug demand seems to have fallen. This is what economists call a *shift in the demand curve*. Thus, falling prices and falling demand are consistent with drug users' sensitivity to price.

A similar argument can be made about emergency department admissions. Lower prices lead to higher drug use, and higher

drug use leads to additional emergency department admissions. However, prices are not the only factor that affects emergency department admissions. The large increases in emergency department admissions cited occurred while heroin prices were relatively flat. Something else, or in addition to prices, must be causing this increase in emergency room admissions. According to other drug use indicators, the increasing number of admissions is not a result of large increases in the number of users.

7. QUESTION:

In the press release accompanying the report, Mr. Brown states, "I am particularly concerned about the youngest users, whose numbers are not falling." The administration's February 1995 National Drug Control Strategy Report shows these numbers to be rising. A study conducted by the University of Michigan, which included 1994 statistics, showed drug use among 8th through 12th graders, particularly marijuana, rose sharply in the past two years, after nearly a decade of steady decline. More disturbingly, both reports concluded teenagers are showing less hostile attitudes towards illicit drug use. What is the administration's strategy for addressing these very disturbing developments on rising use among the nation's high school students?

ANSWER:

The Administration's strategy for dealing with the serious problem of drug use among adolescents and young adults is laid out in the *National Drug Control Strategy*. The 1995 *Strategy* presents a new and key element to respond to America's drug problem - a concise and action-oriented approach to the drug problem. ONDCP will spearhead four Action Plans for (1) reducing the demand for illicit drugs; (2) reducing crime, violence, and drug availability; (3) enhancing domestic drug program flexibility and efficiency at the community level; and (4) strengthening interdiction and international efforts aimed at disrupting the production and flow of drugs into the United States. Each Action Plan includes specific targets, individual steps to achieve the targets, and proposed completion dates. The four Action Plans are discussed in detail in Chapters V through VIII.

The *Action Plan for Reducing the Demand for Illicit Drugs* emphasizes drug prevention as the ultimate key to ensuring the future of the Nation's children. New generations must not become drug users, and existing users must be convinced to stop. The recent increase in marijuana use among adolescents, as well as changes in their attitudes about the dangers of drug use, is alarming and underscores the need for educating each generation about the consequences of drug involvement. To prevent drug use,

we have launched a nationwide media campaign to deglamorize drug use in the mind of every child in America. This public information effort, .Save Our Children.Save Our Future. initiative, will address drugs, alcohol, and tobacco and utilize a range of resources, including entertainment and professional sports figures. This campaign will complement existing efforts, including those of the Partnership for a Drug-Free America and the Community Anti-Drug Coalitions of America.

The *Action Plan for Reducing the Demand for Illicit Drugs* also includes new opportunities for breaking the cycle of intergenerational drug use and promoting the research and evaluation of a wide spectrum of drug prevention programs. It also continues our emphasis on drug treatment. It views addiction as a chronic, relapsing disorder, with treatment and aftercare as appropriate and pragmatic responses to this disorder. However, it does not promote treatment alone as a panacea. The *Strategy* recognizes that a drug user's first step to recovery is to take personal responsibility, and the *Strategy* promotes drug prevention programs and the unique capabilities of law enforcement officers to reduce drug use and its consequences. The Administration will continue to have a firm response to the irresponsible behaviors of drug users and the predatory activities of drug trafficking organizations and money laundering networks, both here and abroad.

8. QUESTION:

In viewing the report data on Trends in the Cocaine Supply, 1989-1993, and Total U.S. Expenditures on Illicit Drugs, 1988-1993, (Tables A and B), one notes that cocaine spending appears to be down in 1993 from 1992. On closer examination, however, it becomes apparent that the coca crop for 1993 was lower than 1992, by approximately 7%. This was largely due to a fungus which attacked the Peruvian old growth coca plants. One also notes that the foreign and domestic seizures of cocaine bound for the U.S. dropped in 1993. Based upon the data provided, we came up with the following results in terms of amount of cocaine purchased [in metric tons]. In 1991, the U.S. purchased roughly 233 mt. of cocaine with \$35.2 billion. This amount dropped in 1992 to 224 mt. for a cost of \$33.1 billion. However, in 1993, 226 mt. were purchased for the price of \$30.8 billion. Thus, less money was spent, but more cocaine was purchased. Doesn't this increase in net quantity purchased illustrate that cocaine use in the U.S. is not on the decline, as the report suggests, but rather the lower street price of cocaine has tended to mask the true amount being consumed?

ANSWER:

When we say that drug use is up or down, it is an indication that the number of hard-core and occasional users has increased or decreased. As stated earlier, the elasticity of demand appears to be close to one for extant users. This means that as prices fall, those extant users will spend about the same amount of money on drugs, but they will use more drugs. Thus, it is possible for the number of users to fall while the amount of total use increases.

9. QUESTION:

The Administration has chosen to focus on demand based policies such as treatment to combat the drug issue. Given that the hardcore user population is the primary focus group for treatment, one would logically expect to see their purchase numbers dropping while in the program. Yet the report (Table 3) shows this is not the case with heroin purchases. Moreover, the net amount of cocaine purchased by occasional users increased in 1993 over 1992 levels from 50 mt. to 55 mt, even though less money was paid overall. Since both heroin and cocaine street prices fell in 1993 from 1992 levels, don't these results indicate that treatment programs, especially for heroin, are being overwhelmed by the continued widespread availability of the drugs? Your report seems inconsistent with RAND reporting on hardcore vice occasional drug use. RAND data indicate that 20 percent of users, the hardcore, consume over 2/3 of the cocaine. Based on charts on pp. 12 and 15 of your report, it would seem that 30% of users, the hardcore, consume 75% of the cocaine. What accounts for the difference? In addition, your report indicates that (p. 10) "Occasional users...[are] those whose drug use was less frequent than the hardcore drug use..." And further that, "Occasional use cannot be estimated from DUF." How then is the distinction made between hardcore and occasional use to arrive at such precise figures for consumption?

ANSWER:

Regarding how the distinction is made "between hardcore and occasional use to arrive at such precise figures for consumption...", as stated in the report, the numbers are not precise, nor are they intended to be.

Regarding your concern that the report "seems inconsistent with RAND reporting on hardcore vice occasional drug use...", I believe that both the RAND and Abt researchers have provided a very consistent picture. However, there are three reasons why the estimates should differ:

(1) The RAND estimates are based mostly on data from the National Household Survey on Drug Abuse (NHSDA). Most substance abuse researchers believe that the NHSDA understates hardcore drug use. Thus, the RAND estimates probably underestimate hardcore use and, consequently, the percentage of consumption attributed to hardcore users.

(2) The definition of a hardcore user is a construct. The Abt analysis used ONDCP's definition as closely as possible. The RAND researchers used their own definition. These percentages change over time as the relative sizes of the hardcore and occasional user groups change. There is no reason to expect that estimates from one point in time will agree with estimates from another point in time.

(3) The difference between 50 metric tons and 55 metric tons is not great, given the overall accuracy of estimates. If used literally, somewhat fewer users used somewhat more cocaine.

10. QUESTION:

Based on Table B, page 6, there is an inconsistency in the numbers reported. The report distinguishes between cocaine destined for the U.S. (for 1993, 436-533 mt) and cocaine shipped to the U.S. (for 1993, 353-450 mt). It also reports on international and U.S. seizures of cocaine (for 1993 192 mt) and cocaine available from consumption in the U.S. (for 1993, 243-340 mt). What is the difference between cocaine destined for the U.S. and cocaine shipped? The numbers seem inconsistent.

ANSWER:

There is no inconsistency in the numbers reported. I refer you to Figure 2 on pages 30-32, in particular blocks G and H. All of the numbers requested are identified in the flow chart, and explained in the text.

As to the difference between cocaine destined for the U.S. and cocaine shipped to the U.S., cocaine is shipped from manufacturing countries (such as Colombia) to the primary consumers (such as the United States) by various methods, although usually through a third country. Some cocaine losses occur during these shipments. This may be due to foreign seizures, theft, and transshipment to other markets, local diversion for consumption, and losses due to natural causes, such as fire, flood and spoilage. As a result, the amount "destined" differs from the amount "shipped" at various stages in the shipment process, and the amount that is estimated to arrive.

11. QUESTION:

NHSDA data in Table on page 12 of the report indicates that there were declines in hardcore use of cocaine between 1988 (884,148 hardcore addicts reported), 1989 (776,765 a 12% decline), 1990 (668,328 a 13% decline), and 1991 (625,00 a 6% decline) or a total of 29% decline in hardcore use, in a period of increased emphasis on enforcement, but no significant decreases in subsequent years. DUF data indicates similar, though smaller decreases between 1989-90 and for 1990-91, but increases the following years. In fact, there was an increase in hardcore users between 1992 and 1993 (9%). How do you account for the differences in trends? Do you expect more recent data to confirm increases in hardcore and occasional use? Please provide data on the following: the number of hardcore cocaine and heroin users who were imprisoned for the years 1988-93; the estimated number of hardcore cocaine and heroin users who died of HIV/AIDS for the years 1988-93; the number of hardcore cocaine and heroin users receiving treatment for the years 1988-93; and the number of hardcore cocaine and heroin users who stopped using these drugs for the years 1988-93. Please explain why, with 1.4 million treatment slots and 2.1 million cocaine addicts, the current emphasis on treatment, if it is such an effective approach to solving the drug problem, that the number of users has not declined dramatically.

ANSWER:

The number of hardcore cocaine users who were imprisoned for the years 1988-1993 is as follows:

218,000 (1988); 259,000 (1989); 292,000 (1990); 325,000 (1991); 364,000 (1992); and 404,000 (1993).

The number of hardcore heroin users who were imprisoned for the years 1988-1993 is as follows:

121,000 (1988); 134,000 (1989); 141,000 (1990); 146,000 (1991); 153,000 (1992); 159,000 (1993).

These estimates are based on the number of people incarcerated in jails and prisons each year and the percentage who are regular drug users, according to surveys conducted by the Bureau of Justice Statistics and the Office of Juvenile Justice and Delinquency Prevention. We interpolated between BJS/OJJDP surveys to arrive at our figures.

The estimated number of hardcore cocaine and heroin users who died of HIV/AIDS for the years 1988-1993 is available from the Center for Disease Control.

The number of hardcore cocaine and heroin users receiving treatment for the years 1988-1993:

Appendix 1 of the Report provides estimates for heroin users for recent years.

Estimates for cocaine users are unavailable and would have to be computed.

The number of hardcore cocaine and heroin users who stopped using these drugs for the years 1988-1993:

We do not believe that this can be answered at this time, given the quality of the available data on drug use.

As to your question regarding why the number of users has not declined dramatically, treatment has not been available for the hardcore addicted population. Congress has not provided the funding needed to provide such treatment. To provide the treatment required to have reduced the number of hardcore drug users in any measurable way was contingent on Congressional adoption of and funding for the 1994 *National Drug Control Strategy* which outlined a hardcore treatment initiative for \$355 million. Unfortunately, Congress provided only \$57 million to spend on treatment overall, and did not authorize the hardcore treatment initiative.

Many promising programs and efforts have been set in motion during FY 94; however, they have not been under way for a long enough time to have any measurable effect. Current information indicates the following:

- The number of drug users in America remains unchanged.
- Treatment capacity has been expanded modestly. The modest increase in the FY 95 block grant program and the programs included in the recently passed Violent Crime Control and Law Enforcement Act of 1994 (Public Law 103-322, hereafter referred to as the Crime Control Act) are being aggressively implemented but have yet to take effect.
- Reducing the burden on the health care system that results from infectious diseases is dependent both on expanding treatment capacity for chronic, hardcore users and on health care reform. Neither change was supported in Congress, so the desired changes have not occurred.

Further, it must be noted that substance abuse is widely regarded by professionals in the field as a chronic, relapsing condition. That is, addicts should not be viewed as getting

"cured." Instead, they should be viewed in much the same way as a patient suffering from cancer -- they simply go into remission pending a possible relapse. Thus, a fixed number of treatment slots is expected to produce a steady-state or constant number of addicts. The steady-state number is larger or smaller depending on the number of treatment slots provided, but it will not go to zero.

But this does not mean that relapse is a failure, as long as it occurs within a broad continuum of drug abuse treatment that immediately registers the relapse, assesses the need for modification or intensification of the treatment regimen, and implements a seamless response to the relapse and the ongoing need for treatment. Relapse is a failure only when there is no timely, appropriate treatment system response to that relapse.

Finally, treatment for drug users does more than help just the drug user.

Treatment can help reduce crime: NIJ's DUF program, which tests urine samples, has found that over 50 percent of arrestees test positive for drugs at the time of arrest. Many users commit property crimes to support their habits. Drug treatment impacts on drug use and the criminal behaviors associated with it. This is clearly proven by the attached study: "Evaluating Recovery Services: The California Drug and Alcohol Treatment Assessment (CALDATA). (Attachment 5)

Treatment can reduce the cost of incarceration: Drug offenders account for an increasing percentage of the population in state and Federal correctional facilities; and comprise approximately 22 percent of state prison populations and over 60 percent of the Federal prison population. If there are fewer drug users, and if their drug use is reduced, the costs of incarceration will be reduced over time.

Treatment can reduce health care costs: There are over 500,000 drug related emergencies in our public hospitals each year; injected drug use is the second most important single mode of exposure to HIV/AIDs. Treatment can impact the high risk behaviors of drug users and thus reduce health care costs.

Treatment can empower people to take charge of their lives: There are an estimated 2.7 million chronic hardcore users unable to function in society because of their drug use; treatment provides users the tools to become contributing members of society.

Treatment can reduce the number of direct and indirect drug related deaths: There are about 20,000 drug related deaths each year; 8,500 deaths involving drug abuse in 1991; the balance occurs in drug-related accidents and murders.

Committee on International Relations***Subcommittee on Asia and the Pacific*****DRUGS IN ASIA: THE HEROIN CONNECTION****June 21, 1995*****-ONDCP Responses to Questions Submitted for the Hearing Record-***

In its written responses to questions submitted for the hearing record by the Honorable Benjamin A. Gilman, Chairman, House Committee on International Relations, the Office of National Drug Control Policy (ONDCP) refers to five attachments that are to accompany the written responses. While the ONDCP's written responses are printed in this document in their entirety, the attachments were not printed due to their combined length (in excess of 300 pages). The Subcommittee will, however, retain these attachments in the Subcommittee office until the end of the 104th Congress. At the end of the 104th Congress, the entire hearing file will be archived.

BIBLIOGRAPHIC INFORMATION:**Attachment #1:**

What America's Users Spend on Illegal Drugs, 1988-1993. Washington: Executive Office of the President, Office of National Drug Control Policy, Spring 1995.
(Prepared by Abt Associates, Inc.)

Attachment #2:

PRICE AND PURITY OF COCAINE: The Relationship to Emergency Room Visits and Deaths, and to Drug Use Among Arrestees. Washington: Executive Office of the

President, Office of National Drug Control Policy, October 1992. (Research conducted by Abt Associates, Inc.)

Attachment #3:

Average Price and Purity of Cocaine in the United States, 1981-1994. (TABLES 1-2) May 3, 1994 and 1995 (Prepared by Abt Associates, Inc.)

Average Price and Purity of Cocaine in DAWN and DUF Cities, 1981-1994. (TABLES 3-6) May 3, 1995 (Prepared by Abt Associates, Inc.)

Average Price and Purity of Heroin in the United States, 1981-1994. (TABLES 1-2) May 3, 1995 (Prepared by Abt Associates, Inc.)

Average Price and Purity of Heroin in DAWN and DUF Cities by Region, 1981-1994. (TABLES 3-5) May 3, 1995 (Prepared by Abt Associates, Inc.)

Average Price of Marijuana in the United States, 1981-1994. (TABLES 1-2) May 3, 1995 (Prepared by Abt Associates, Inc.)

Rhodes, William, et al. Estimating a Consistent Price Series for Illicit Drugs. May 3, 1995 (Abt Associates, Inc.)

Attachment #4:

Rydell, C. Peter and Susan S. Everingham. CONTROLLING COCAINE: Supply Versus Demand Programs. Santa Monica, CA: RAND, Drug Policy Research Center, 1994.

Attachment #5:

EVALUATING RECOVERY SERVICES: The California and Alcohol Treatment Assessment (CALDATA). Sacramento, CA: State of California, Department of Alcohol and Drug Programs, 1994. (Submitted by the National Opinion Research Center at the University of Chicago and Lewin-VHI, Inc., Fairfax, Virginia)

QUESTION FOR THE RECORD SUBMITTED TO ROBERT S. GELBARD
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1. The Clinton Administration is now into its third year in office. The supply of heroin in the United States is the cheapest, purest, and most widely available in recent history. Why has it taken the Clinton Administration more than two years to produce a heroin strategy? How does this strategy differ from the policies set forth under President Bush?

A. Half of the world's illegal opiates and 60 percent of the heroin seized in the United States come from Burma.

Addressing the problem of Burma is a critical element of a workable heroin strategy. Coordination of our full range of policy concerns regarding Burma has taken a considerable amount of time. The strategy now on the President's desk recognizes our three principal policy concerns in Burma -- human rights, democratization and counternarcotics. While acknowledging that we must address the problem of illicit drugs in Burma, it also recognizes the serious constraints on accomplishing counternarcotics objectives while the current regime is in power. The strategy adopted by the Clinton Administration differs from previous strategies by placing more emphasis on source country interdiction. It also recognizes that strong efforts are needed not only in enforcement and interdiction, but also in demand reduction and supply reduction.

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2. Approximately sixty percent of the world's illicit opium/heroin supply is produced in Burma. We have been paralysed in dealing with the Burmese government due to its abominable human rights record, because we do not want to give the government legitimacy. In light of the upsurge in the domestic heroin problem, is our policy of detachment vis-a-vis the Burmese government still viable?

A. Although we have endeavored to limit our contact with the SLORC, we have not pursued a policy of detachment with regard to counternarcotics in Burma. DEA has remained in Rangoon, and we hope its office will soon be up to its authorized strength of three agents. We continue to support multilateral assistance through the UN Drug Control Program (UNDCP) in supply reduction projects in ethnic minority areas. We have also given training on a case-by-case basis to specialized drug enforcement units.

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3. Human rights groups argue that only when democracy returns to Burma can we expect to solve the heroin problem. They argue that bilateral cooperation serves to legitimize the current repressive Burmese government. Do you agree?

-- Isn't the Administration giving a contradictory message when it calls for the unconditional release of Aung San Suu Kyi, but at the same time seeks to increase anti-narcotics activities in Burma?

A. We all hope for the return of democracy to Burma and have no doubt that a sympathetic democratic government will afford greater opportunities for cooperation than the current repressive regime. Nevertheless, the scale of the narcotics problem in Burma is so massive that even a sympathetic regime will be struggling with it for decades. We owe it to ourselves to do what we can now to stem the massive outflow of heroin from Burma.

Our bilateral counternarcotics assistance programs with Burma were halted when the SLORC took power. At present, we are engaged in limited training and support for multilateral assistance. We do not feel that this limited activity legitimizes the current repressive Burmese regime. We also see no contradiction in calling for the Burmese regime to be responsive to all our policy concerns -- human rights, democratization and counternarcotics. We need to continue our efforts to move ahead on all of these policy fronts.

Aung San Suu Kyi was unconditionally released on July 10, but overall progress on human rights, democratization and counternarcotics remains limited. In regard to counternarcotics, Aung San Suu Kyi has stated that some types of cooperation may be useful tools for encouraging the SLORC to engage in a dialogue of political reconciliation.

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4. Is there some middle ground on dealing with SLORC, wherein U.S. human rights interests are addressed in concert with an effective joint counter-narcotics effort to halt the flood of heroin?

A. We have forged a coordinated approach that does not compromise any of our policy concerns in Burma. Such an approach does allow us to continue limited counternarcotics efforts in Burma through enforcement cooperation, multilateral programs and training.

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5. How do the neighboring governments in the region view the Burmese heroin problem? Do they feel the U.S. should engage the Burmese government in cooperative counternarcotics efforts? If so, what approach do they suggest we adopt?

A. Thailand has cooperated with Burma in closing the northern border of Thailand in an effort to restrict the supply lines and heroin trafficking routes used by Khun Sa's Shan United Army. China, even though it is Burma's closest ally, has reportedly expressed dissatisfaction to Rangoon over its lackluster drug control efforts. China in 1994 executed a major Burmese trafficker in a clear signal to trafficking groups along the Sino-Burmese border that China has no tolerance for smuggling efforts through its territory. Neither Thailand nor China has offered any advice regarding U.S. counternarcotics policy in Burma. China favors a multilateral approach to regional drug control efforts, and both China and Thailand have been working with the UN Drug Control Program to craft such an approach.

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6. The 1995 annual Narcotics Control Strategy Report states "the Burmese Army stepped up its military effort against Khun Sah's Shan United Army. Narcotics control is not a principal objective of the Burmese Army's actions...but the campaign against Khun Sah did have some adverse impact on the heroin trade." Since early last year the level of fighting against Khun Sah has dropped off considerably. How do you interpret this change?

-- The Burmese government complains that the international community does not give credit to the Burmese Army for its campaign against Khun Sah. Do you agree with this assessment?

A. Despite initial reports indicating the offensive against Khun Sa in 1995 seemed to be on a smaller scale than 1994, it is now apparent that the Burmese Army has been cumulatively stepping up the pressure on the Shan United Army (SUA) through a multi-year campaign. The Burmese Army has been gradually strengthening its position in the southern Shan State. Offensives in both 1994 and this year seem to have had limited objectives and were not designed to eliminate Khun Sa or capture his headquarters at Ho Mong. However, we have no indication that the multi-year campaign against Khun Sa has ended, nor that it has slowed down.

We noted in the 1995 International Narcotics Control Strategy Report that Burmese Army actions against Khun Sa have disrupted the opium and heroin trade. We have tried to comment fairly on the impact of military campaigns against the Shan United Army on heroin trafficking. Khun Sa is under indictment in the United States and we would welcome any effort that might help bring him to justice.

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7. According to U.S. government sources, Vietnam has become an important transit zone for Burmese heroin. What is the status of our narcotics cooperation with Vietnam? In what ways is Hanoi cooperating with the U.S., as certified by the President on March 1, 1995. Is our cooperation hampered by the fact that we have no DEA or Counter-narcotics people or programs on the ground there, because we don't have diplomatic relations?

A. The Vietnamese government has worked to develop a master plan for drug control that includes enhanced enforcement, supply reduction and demand reduction efforts. The Vietnamese government is looking for international assistance in all three of these areas. Vietnam has taken adequate steps on its own to meet the goals of the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances through domestic drug enforcement and eradication efforts. There has been good cooperation with the United States through INTERPOL on enforcement issues. U.S. and Vietnamese officials have been conducting high-level discussions on narcotics cooperation since August of 1994. These discussions were very positive, and the Vietnamese have expressed a willingness to work closely together with us on drug control efforts. In June, I traveled to Vietnam to explore further areas of possible counternarcotics cooperation. My discussions with the Vietnamese convinced me that they are strongly committed to tackling the drug problem they face and look forward to greater international cooperation in this endeavor.

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8. Despite being a major transit country for Burmese heroin, Thailand has generally cooperated with the U.S. on counter-narcotics efforts, such as through the virtual elimination of the indigenous opium poppy cultivation. What solutions does the Thai government recommend to the Burmese heroin problem? Do they have any leverage which could be used on the Burmese?

A. Individuals in Thailand who have been involved in alternative development efforts have suggested that the Thai experience may be usable in Burma. Both countries recognize that fundamental economic changes in the poppy cultivating areas are needed to end the growing of opium. I am not aware, however, that the Government of Thailand has made any recommendations to the Government of Burma concerning drug control. Thailand shares a long border with Burma and has security concerns regarding its neighbor. Thailand has broader economic and political ties with Burma than the United States, but it is difficult to say how this translates into leverage.

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9. Money laundering is an increasingly important component of the narcotics trade. How is Hong Kong, as Asia's financial center, responding to the heroin problem -- both in terms of trafficking and money laundering?

A. Hong Kong passed the Organized and Serious Crimes Ordinance in October 1994 which made money laundering a criminal offense. The law also gave the authorities greater ability to investigate the financial dealings of organized crime. The Hong Kong authorities have demonstrated their seriousness in addressing the problem of money laundering by establishing a financial investigation group in the Royal Hong Kong Police. Reporting requirements for suspicious financial transactions are a voluntary requirement, which USG officials consider a weakness. However, the British used a voluntary system, effectively in their estimation, until European Union policy made the requirement mandatory. Hong Kong draws its guidance from Britain and is aware of this change in British law.

Hong Kong authorities continue to mount an active effort to deter trafficking through Hong Kong. Significant quantities of heroin continue to be seized, though authorities indicate that more of the drugs seem intended for local consumption than in the past. Strong enforcement in Hong Kong and the proliferation of trafficking routes to other parts of the region may have caused some decrease in the amount of heroin transitting Hong Kong.

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10. What role is China playing in the flow of Burmese heroin in the region? Are they tolerating it, steering it away from their borders, or actively seeking to interdict it?

A. China has mounted a vigorous drug enforcement campaign in which interdiction is a major component. China seizes more heroin than any other country in East or Southeast Asia. Despite strong laws that provide the death penalty for anyone trafficking more than 50 grams of heroin, smuggling is a growing problem. The use of China as a transit route by heroin smugglers has changed some of the regional patterns of the heroin trade. The South China coast has become an important staging point for heroin enroute to international markets.

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11. Could China, out of fear of domestic heroin addiction, be used to leverage the Burmese on the drug trade? Could China be helpful in halting the outflow of heroin from Burma?

A. We have reports that China is trying to use its leverage with the Burmese to increase drug control efforts by Rangoon, but results have been limited. Last year China sent a strong signal to Burma-based traffickers by arresting and executing Yang Mao-xian, the brother of Yang Mao-liang, head of the Kokang, a major heroin trafficking group.

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12. Assuming the U.S. government cannot develop a bilateral arrangement with the current Burmese government, can the United Nations Drug Control Program (UNDCP) be used as a neutral third party to help solve the Burmese heroin problem through regional counter-narcotics efforts? Would the U.S. government view the UNDCP's role as a viable alternative to dealing with the current regime in Rangoon?

A. The UNDCP already has an active role in Burma which we fully support and hope will expand. We do not view UNDCP programs as alternatives to bilateral efforts, but they are an important complementary effort. In the case of Burma, UNDCP is one of the few viable vehicles for drug assistance. UNDCP has an established track record in alternative development in Burma and deserves continued support.

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13. Should we also attempt to adopt a concentrated regional strategy, outside the UN context, with Thailand, China, and Vietnam to close down the Burmese heroin transit routes? Would such an interdiction strategy shut down the supply of heroin, or could the Burmese producers maintain the current level of supply simply by smuggling out of Burmese ports?

A. We are making efforts, both bilaterally and multilaterally, to enhance enforcement capabilities in countries bordering or near Burma through which Burmese heroin makes its way to international markets. We have cooperated closely with Thailand for many years in drug enforcement and our coordinated efforts have resulted in some notable enforcement successes, in particular the Operation Tiger Trap arrests in late 1994. China maintains a vigorous enforcement effort on its own. Bilateral cooperation is limited, but support for China's effort through multilateral means is possible and we are exploring this option. In my discussions with Vietnamese leaders, they have shown a strong interest in increasing multilateral and bilateral drug enforcement efforts. Strengthening the interdiction efforts in Thailand, China and other transit countries should have an effect on the flow of Burmese heroin. Current efforts by Thailand and China have resulted in heroin seizures of between 5 and 6 mt of heroin each year since 1992. Regional interdiction efforts are already intense, but there are areas that could be strengthened. Foreign trade going through Burmese ports is limited and is unlikely to become a major avenue for heroin trafficking in the near future, but traffickers will continue to exploit every vulnerability in regional enforcement capabilities in order to move narcotics to major western markets.

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14. Afghanistan, the second largest producer of heroin, has become a center of major export activities. How does the U.S. Government target this source of narcotics? What activities has the Clinton Administration undertaken to counter this dangerous flow of narcotics?

A. Because the USG maintains no official presence within Afghanistan, we must address the booming production of narcotics indirectly through international organizations, NGO's and third countries. The USG designated over one million dollars in contributions to Afghan UN Drug Control Program (UNDCP) programs over the past five years. It has also signed an agreement with an NGO to provide \$100,000 for a crop substitution project in the poppy-rich Helmand valley in 1994 and spent \$164,000 for agriculture in infrastructure projects in Kandahar in 1992. Final decisions for 1995 have not been made.

The USG also works closely with neighboring governments, encouraging them to interrupt the flow of drugs out of Afghanistan. Thus far in 1995, the Pakistani government has seized more narcotics than ever before. We are also focusing increased attention on the newly independent states of Tajikistan, Uzbekistan and Turkmenistan as we believe increased amounts of narcotics flow through those states as an alternate trafficking route.

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The Bureau for International Narcotics and Law Enforcement Affairs (INL) operates a \$2.5 million program in Pakistan, a large portion of which supports law enforcement activity. We also fund training of regional law enforcement agencies from the INL central training fund.

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15. What plans does the State Department have with regard to eventually opening an embassy in Afghanistan from which counternarcotics programs might eventually be implemented?

A. Embassy Kabul was closed and all U.S. diplomatic personnel were withdrawn in 1989 because of unsafe security conditions. We will look at reopening the embassy once security conditions in the country improve significantly. Such improvement will probably require the establishment of a clear central authority, acceptable to all Afghans.

The security situation remains unsettled, precluding the presence of U.S. diplomats. No other Western nations have diplomatic missions resident in Kabul.

The Bureau for International Narcotics and Law Enforcement Affairs (INL) runs modest programs in Afghanistan at this time from Pakistan. The actual programs are generally administered by NGOs such as Mercy Corps, with which INL signed a Letter of Agreement for a project in the Helmand Valley in FY 94. While this is not ideal, it is the best the security situation in Afghanistan currently permits.

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16. Is it true that the governor of Nangarhar province in Southeast Afghanistan -- a province responsible for almost one-half of the country's poppy cultivation -- would like to initiate a drug eradication program, but that the U.S. Government can find only \$69,000 to contribute to the eradication of this major heroin source? What is the rationale for not enthusiastically supporting this eradication effort?

A. Governor Haji Qadir announced a major poppy eradication campaign in Nangarhar province late in 1994. Several Western observers from the UN Drug Control Program (UNDCP) and donor nations were taken to see fields of poppy being plowed under. Unfortunately, the USG still does not know the total impact of this campaign. Some of the fields plowed under apparently were not properly plowed and did produce some poppy. Additionally, we do not know if elimination of fields close to the road was balanced by more and/or larger fields in more remote areas.

In discussions with the United Nations Drug Control Program (UNDCP) and Western donors, Haji Qadir has requested primarily capital-intensive investment in his province. Capital-intensive projects such as paved roads will not, in and of themselves, have an impact on the amount of poppy cultivation. The USG supports, in principle, a UNDCP project proposal which will provide assistance to the districts of Nangarhar where poppy eradication has taken place. We have not seen the full project documentation on the multi-year extension of the project.

INL's support of projects in Afghanistan will reflect the overall INL budget, which has been drastically cut in Congressional mark-ups of our FY-96 request, and our need to concentrate funding first on countries that send most of their illegal narcotics to the U.S. Most Afghan-cultivated opiates are destined for the European market. The United States obligated \$400,000 for UNDCP projects in Afghanistan, primarily in Nangarhar province, in FY 95. The projects supported were demand reduction, eradication and crop substitution. A further \$15,000 has been obligated for training of law enforcement officers in Nangarhar.

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17. To what extent is the narcotics trade supporting terrorist activities that are emanating from Afghanistan? Is Afghanistan the center of a narco-terrorist network?

A. We believe that most terrorist activities emanating from Afghanistan are supported by outside donations. However, while we lack specific evidence, it would be reasonable to believe that some of the narcotics-generated income flowing into Afghanistan goes to support terrorist training camps and regional commanders.

According to a UN study performed in Pakistan, but that may be representative of what occurs in Afghanistan as well, farmers' profits at the farm gate are low, although opium may be the only, or almost the only, cash crop they can grow. Afghans resident in Afghanistan do not, by and large, control the downstream transactions in opium, morphine base and heroin. Consequently, flows of cash into Afghanistan from narco-trafficking might not be as large as one might think.

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18. One of the main problems with the past three heroin strategies of the past two Administrations has been that the primary producers of heroin in Asia are countries in which the United States has little or no influence.

- How does your new strategy address this issue?
- Under the new strategy, how do you intend to step up the effort to engage other donor countries and international institutions in our efforts to reduce the production of opium in Southeast and Southwest Asia.
- After over five years of pressure on the multilateral development banks to establish some linkage between projects in the cocaine producing countries of South America, we are just now beginning to have success; do you have any indications that the MDB's will be willing to adopt this approach with respect to opium producing countries in Asia.

A. The new strategy recognizes that we must use whatever leverage we have through neighboring countries and we must support multilateral efforts in countries where we have little access or influence. In the case of Afghanistan, the absence of a functioning central government severely limits our options, but we are pursuing efforts to enhance enforcement in neighboring Pakistan and to support multilateral activity inside Afghanistan.

In the case of Burma, we will continue to use a range of measures, consistent with our human rights and democratization goals, to advance drug control efforts. We are supporting multilateral efforts in areas controlled by Rangoon and in areas controlled by ethnic minorities. We are

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pressing the Rangoon regime to step up counternarcotics efforts and are calling upon the regime to urge ethnic minority groups to honor the drug control commitments that have been part of ceasefire agreements. We are encouraging Thailand to maintain close controls on its northern border with Burma. We are promoting regional enforcement projects through UNDCP. We are using diplomatic channels to encourage China to use its leverage with Burma to move the Burmese government toward more effective drug control efforts.

We will continue our efforts to engage donor countries in areas that we regard as priorities for drug control assistance. The new strategy also addresses the need to ensure greater support by international financial institutions for alternative development and administration of justice programs. We are already engaged in a dialogue on this topic with the leadership of these institutions.

There are indications that multilateral development banks are becoming more receptive to consideration of alternative development needs in Asia. We have undertaken a dialogue on this topic with the World Bank and some of the MDB's and have received a generally positive response.

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19. Even though the Administration's request for international narcotics programs for fiscal year 1996 was approximately \$70 million more than the fiscal year 1995 level, none of that requested increase was as far as I can tell for bilateral heroin programs. Is this an accurate statement? Given the limited resources we have been spending on this issue over the past decade, is additional funding warranted? What was the reason that no additional funding for heroin programs in Southeast and Southwest Asia was requested?

A. The FY 96 INL budget request folded in narcotics control ESF and FMF funding previously incorporated into other accounts. It is correct to say that we are asking approximately \$70 million more than the appropriated level. Our request, however, is slightly reduced from the budget requests of recent years, which have subsequently been cut by Congress. The requested level is the amount we judge to be adequate to meet the requirements of the President's strategy.

We apply our budget resources where we have access and cooperation from the recipient government. These are the conditions under which we are most likely to obtain the highest payoff for dollar expended. The bulk of the INC funds are spent in the Western Hemisphere because cocaine continues to be our most serious drug problem and because we have developed cooperative relationships with the Latin American nations, where the majority of cocaine production and trafficking occurs. It is important to note, however, that increasingly heroin confiscated on U.S. streets

originates in this hemisphere also. Our recent aerial eradication break-throughs with Panama, Venezuela and, most significantly, Colombia have given us the opportunity to attack the source of about one-third of the heroin seizures in the U.S. We estimate that we may spend between \$15 million and \$16 million for aerial eradication next year. About one-third of that will probably be used to eradicate opium poppy.

We fully recognize the seriousness of the Asian heroin threat to the United States and have placed renewed emphasis on combatting it. Initiatives include, for example, leveraging additional resources from Europeans, since they suffer from heroin abuse even more than we do, getting opium poppy producing nations to step up law enforcement, and, in a cautious way, beginning to tackle the poppy cultivation problem in Burma, the world's largest producer. We are also supporting multilateral institutions, such as the UN Drug Control Program (UNDCP), as an important part of our effort to combat the heroin trade. As a result of my recent trip to Southeast Asia, we expect to initiate or expand programs with several countries in Southeast Asia. In response to Prime Minister Bhutto's recent pledge to reinvigorate Pakistan's anti-drug efforts, the Bureau for International Narcotics and Law Enforcement Affairs (INL) is working with the U.S. Department of Defense to make helicopters available for operations against heroin traffickers in remote regions. These aircraft will remain U.S. Government

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property, but Pakistan has agreed to fund their operations and maintenance, so INL has requested no additional funding for that purpose.

Although much of the Administration's effort against Asian heroin requires little or no INL funding, we would expect several million of the \$9.5 million increase for International Organizations and INL Training to be expended on the Asian heroin problem. We do not believe that this is an adequate amount, but it represents what we judge could be profitably used in this area at this time. We anticipate that our access to countries in Southeast Asia will improve gradually and hope that the level of cooperation will improve as well. We would expect the requested levels targetted at Asian heroin would rise proportionally.

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20. The United States has been supporting UNDCP subregional projects in and around Burma for the last several years. Can you give us some details on those projects? For example:

- In both qualitative and quantitative terms, what has been the impact of these projects?
- What is the total amount of funding available for these projects?
- What is the nature of the relationship between UNDCP and the Burmese Government with respect to these projects?
- Does any of the funding for these projects go through the Burmese Government?
- How does UNDCP monitor the implementation of these projects?

A. UNDCP efforts in Burma to date have focused on relatively modest efforts at rural development intended to demonstrate economic alternatives to poppy cultivation. Current projects were conceived after ceasefires between Rangoon and various ethnic militias made alternative development and crop substitution projects possible in the major opium-cultivating regions. Current projects include the Mong Yang, Tachilek and Wan Ho Tao integrated rural development projects in the Shan State. The Mong Yang project includes 12 villages in a poppy-growing area near the border with China. The Tachilek project area includes 17 villages in the Thai border area. The Wan Ho Tao project focuses agricultural households in the vicinity of the village of Ho Tao. Wan Ho Tao is a one-year pilot project in the Wa-controlled area of Burma and represents an initial effort at integrated rural development in the Wa region. UNDCP is still working to determine baseline figures of poppy cultivation in the project areas.

An aerial survey for this purpose was done earlier this year, but the results have not yet been developed. These projects are still in progress. The project goals include identification and development of diversified sources of income as an alternative to cash earned from the cultivation of opium poppy. These projects also aim at establishing a base for on-going income substitution projects in the region. In particular, the Wan Ho Tao project is intended to provide a basis for establishing more extensive projects in the Wa region. In addition to alternative development projects, we have supported law enforcement projects under the UNDCP sub-regional plan, but with the expressed stipulation that no U.S. funds were to be used for law enforcement in Burma.

Total cost of the projects is relatively modest. Mong Yang is \$4,100,000 for a three-year project, Tachilek is \$2,348,284 for a three-year project, and Wan Ho Tao is \$327,338 for a one-year project. U.S. funding has included \$300,000 for the Burma/Thailand regional project that includes Tachilek and \$1,080,000 for the China/Burma project that includes Mong Yang. We have also given \$1,660,000 for use in the sub-regional projects without designating a specific project. This funding was given with the proviso that it not be used for law enforcement in Burma.

The relationship between the UNDCP and the Burmese government is spelled out in the written project agreement. In UNDCP projects, the Government of Burma is responsible for various inputs, mostly in-kind contributions, including personnel. Project coordination is under a Joint Executing Committee (JEC) consisting of the sub-regional member countries which work together with the UNDCP. The Central Committee for Drug Abuse Control is usually the counterpart agency for implementation of the project.

UNDCP inputs, including assets purchased by UNDCP, are controlled by the UN executing agency on behalf of UNDCP during the project period. Disposition of material, equipment and supplies after the completion of the project is determined by a review involving UNDCP and the host government.

The three-year projects are subject to one interim review and a final review on completion. The Wan Ho Tao project, due to its short duration, will only have a final review. Embassy personnel visit project sites and consult with local UNDCP staff to review the status of projects. Projects are also discussed at the multilateral donor meetings. UNDCP has advisors working in the field who supervise the implementation of these projects on a day-to-day basis.

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21. Was any of the 3,345 hectares of opium poppy that the Burmese Government claimed to eradicate last year located in areas where the UNDCP is conducting its projects?

-- Do we have any independent verification of these figures?

A. There is embassy reporting indicating eradication has taken place, but we do not have independent verification of the hectarage eradicated.

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22. It is my understanding that one heroin producing and trafficking group in Burma -- the Wa -- have approached the Administration, and some Members of Congress, about direct bilateral assistance in exchange for reducing opium production.

- What is your assessment of whether this type of support is warranted?
- It is my understanding that elements of the Wa have stated they will not participate in the UNDCP projects because of those projects association with the Burmese Government; is this true?
- Do you see any reason to provide support to the Wa if they refuse to participate in the UNDCP projects?

A. The Wa have been trying to solicit direct foreign assistance since 1990. We have reservations about direct assistance to the Wa. Nevertheless, the Wa are the largest producers of opium in Burma and we should be looking for ways to reduce opium poppy cultivation in the Wa region. We believe that multilateral assistance is the best means of undertaking supply reduction or alternative development projects to the Wa.

Embassy officials have met several times with the top Wa leadership who indicate they are willing to work with UNDCP. The Wa have already been working with UNDCP on a small scale in the Wan Ho Tao project. Wa leaders met with UNDCP and representatives of the Japanese and U.S. embassies in Rangoon in May and publicly appealed for international support for proposed UNDCP alternative development projects in the Wa area.

We have no reason to believe the Wa will refuse to participate in UNDCP projects, and the stated intention of the Wa leadership is that they will work with the UNDCP. Any program for providing assistance to the Wa would face insuperable practical and political difficulties unless it had the support of the governments of Burma and China. The framework for such support exists in the UNDCP sub-regional approach. The Wa region is in an isolated part of the Shan State bordering China. The cooperation of these two governments would be essential to any assistance effort.

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23. With respect to the Burmese Government's much publicized assaults on Khun Sa, do you view these as genuine attempts to address the narcotics trafficking activities of his organization?

- Has the Burmese Government taken actions such as they have against Khun Sa against any other heroin trafficking organizations in Burma?
- What effect on the production and trafficking of heroin has there been as a result of the Burmese Government's accommodation with other ethnic insurgent groups -- such as the Wa, which by DEA estimates is one of the largest heroin trafficking organizations in Burma.

A. The campaigns of the Burmese Army (BA) against the narcotics trafficking insurgent group led by Khun Sa are fundamentally efforts by Rangoon to regain control over the Shan State. Khun Sa and the Shan United Army (SUA) rely on narcotics trafficking revenue to maintain power. It is clear to many inside and outside Burma that Khun Sa holds onto power for the purpose of maintaining his drug empire. Because the fundamental purpose of the SUA is to support Khun Sa's trafficking organization, any military action against the SUA has a counternarcotics dimension. These military actions are certainly genuine, even though halting the flow of heroin is not their primary objective. Hundreds of lives have been lost on both sides and the BA is now holding positions in former SUA territory. The military offensives have also disrupted the movement of opium caravans, heroin refining, and heroin trafficking activities of the SUA.

The Burmese government has not moved against any other opium-producing ethnic groups with independent militias. It has ceasefires with all of the principal militias in the major poppy-cultivating regions except the Shan United Army.

Under ceasefire agreements with Rangoon, some ethnic groups, such as the Kokang and the Wa, claim they have pledged to reduce opium poppy cultivation. Despite these claims, poppy cultivation has actually increased in the Kokang and Wa areas. We have called on the Burmese government to press the Kokang and the Wa to honor their commitments to poppy eradication, but Rangoon has no practical executive authority within the territories held by these militias. Other groups who have entered in ceasefires with Rangoon, such as the Kachin, have undertaken actual campaigns against poppy cultivation and drug use that have been successful. These gains are in jeopardy, however, due to limited outside support and assistance. We are exploring ways to remedy this lack of support for Kachin counternarcotics efforts.

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24. The United States, prior to 1989, provided substantial amounts of material assistance to Burma for counternarcotics programs, including aircraft.

- Do we have any indications that the Burmese Government is still using any of those resources for counternarcotics purposes?
- Are they using them for anything else?
- Does the Administration's new strategy contemplate the provision of any material assistance to the Burmese?
- What conditions do you see as a prerequisite for considering the provision of material assistance.

A. The Burmese government has title to 39 aircraft supplied through counternarcotics assistance programs prior to 1988. We have made several formal requests for an accounting of these resources. The Burmese government has told us that 32 are still operable and are being used for counternarcotics purposes.

We have been able to verify the use of some aircraft for counternarcotics purposes. U.S.-supplied helicopters and aircraft were used to support the February 1995 opium survey. We also have direct knowledge that some U.S.-supplied aircraft are used for non-combat-related transportation. We do not have evidence of other uses of the aircraft.

The Administration heroin strategy and Burma policy annex do not contemplate any bilateral material assistance to Burma under present conditions. If there were significant progress over the long term on human rights, political reconciliation and counternarcotics, we would consider the provision of bilateral material assistance to Burma for drug control.

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25. We have been selectively providing the Burmese Government with selected, actionable law enforcement information for several years.

- On the whole, what has the Burmese Government's response been to the provision of such information; have they acted effectively on it or ignored it?
- Under the new strategy, will the sharing of this kind of information increase?
- What do we expect from the Burmese Government in exchange for the provision of assistance?

A. We have had limited sharing of drug enforcement information with the Burmese authorities, including information about drug caravans and heroin refineries. On the whole, the authorities have been receptive to such information, but their ability to act on it is often constrained by circumstances in Burma.

We currently intend to continue providing actionable drug enforcement information to the Burmese authorities. We will be studying the question of information sharing with a view to increasing the timeliness and quality of information sharing and with the aim of monitoring the willingness of the Burmese authorities to act on the information provided.

The Burmese government has already shown itself cooperative in sharing information related to ongoing U.S. investigations. In overall terms, we expect information sharing to result in an increase in drug enforcement activity.

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26. The Thai Government enacted asset seizure and conspiracy laws almost four years ago, after years of pressure from the United States. The Thai have yet to actually prosecute anyone under these statutes, despite the fact that cases have been opened.

-- What is the reason for this delay?

A. The Thai authorities have a number of cases in process, but they have not brought them to conclusion. Assets amounting to more than \$8,000,000 are now tied up in cases being pursued under the statute. But disposition of the assets has proven to be a slow process. Thai authorities assure us that as they gain experience working with the new law, it will be possible to move cases through the system with greater efficiency.

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27. What is the status of the draft money laundering legislation being developed by the Thai Government? Do we think the legislation is adequate?

A. The draft anti-money laundering law had been submitted to Thailand's parliament prior to its dissolution. It will be sent back to the drafting committee to make some minor technical changes suggested by the Juridical Council before it is taken up by the new Parliament that was sworn in on July 20, 1995.

With a few reservations, the proposed law meets the major requirements of the 1988 UN Convention and is consistent with the major body of recommendations made by the Financial Action Task Force and Organization of American States. The law would criminalize money laundering by juridical as well as natural persons, it establishes a know-your-customer policy, it provides for recording significant transactions and reporting as well as recording suspicious transactions. It provides a safe harbor for banks and other financial institutions which cooperate with enforcement officials and strengthens the existing asset forfeiture law.

The proposed legislation, however, lacks a key provision common to most such laws in the world: a provision for international information sharing. The law does not

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address sharing of data with foreign enforcement officials, reciprocal cooperation on investigations, honoring foreign forfeiture orders, or reciprocal asset sharing. I would hope that such a provision would be included in any anti-money laundering bill passed by the new Parliament.

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28. What is the status of our pending extradition requests for the ten major traffickers linked to Khun Sa that are currently in Thai custody?

-- What is the status of our request for the former Thai member of Parliament?

A. These extradition cases are still before the Thai courts and have not been brought to conclusion. A lower court has ruled that former MP Thanong Siriprechapong can be extradited, but the case is now on appeal.

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29. What has been the impact of the Thai decision to implement stricter border controls along the border with Burma?

-- Do we have any estimate of how much of the heroin trafficking across the border has been diverted to other routes, for example, through China?

A. Stricter control of the northern border by the Royal Thai Army has been useful in denying logistical support to the Shan United Army of Khun Sa. It has also disrupted other economic activity of the SUA, such as the trade in timber and cattle. We believe that these restrictions have also disrupted the cross-border drug trade, but drugs continue to move along trails and remote crossing points that are difficult to control.

We have no way to estimate how much heroin trafficking may have been diverted to other routes as a result of Thai border controls. There is no indication at this time that heroin trafficking through China has increased as a result of Thai border controls. Chinese interdiction efforts have been vigorous for years and diversion of trafficking through China, though certainly possible, is not an easy option. All information indicates that large quantities of heroin continue to move through both Thailand and China despite the best efforts of those nations.

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30. Have the Thais arrested any major Thai narcotics traffickers in the past year?

-- Have any major traffickers been prosecuted in the last year?

A. Thanong Siriprechapong, a Thai national and former member of parliament, was arrested in 1994 on a provisional warrant based on a U.S. indictment for marijuana smuggling. Ten major figures in the trafficking organization of Khun Sa were arrested in November 1994. Many of these figures claimed Thai nationality at the time of their arrests. These individuals now are in extradition proceedings. Several significant traffickers have been arrested in the past year and are facing court proceedings in Thailand.

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31. One of the major sticking points in our counternarcotics relationship with Laos over the past several years has been their ineffective law enforcement efforts. One of the reasons cited for this year's full certification of Laos was the fact that the Lao had finally created a special counternarcotics unit. The certification also states that the unit "has some successes in 1994".

- Specifically, what successes has this unit had?
- Despite the fact that Laos has potential production of 85 metric tons of heroin, and is probably a transit country for other Southeast Asian heroin, the Lao seized 62 grams of heroin in 1994; do we view that as a serious enforcement effort?
- What is our view of the Lao Government's commitment to enforcement efforts?

A. The new counternarcotics unit has been involved in seizures at the Vientiane airport, in interdiction of smuggling through Laos into Vietnam, and in efforts to track down and arrest the Lao domestic connections of apprehended heroin smugglers.

Lao heroin seizures in 1994 were 62 kilograms in the January to November period. This is a substantial increase over previous years.

Lao efforts at drug enforcement are at an early stage. Further improvement is needed. We do see, however, that commitment to drug enforcement is being demonstrated on a broad level. In addition to the police counternarcotics unit, Lao customs has been active in recent seizures. Lao enforcement agencies also seem to have adopted a more

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cooperative approach toward contact with the DEA, which has agents stationed in Udorn, Thailand, not far from Vientiane. In general, we believe the foundation has been established for continued progress in Lao enforcement efforts.

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32. For several years, we have been supporting an alternative development project in the Houaphan Province of Laos. As part of that project, the Lao agreed that after a period of years, they would begin enforcing a poppy ban in the project area.

- Have we reached that point in the agreement?
- Have the Lao enforced a poppy ban?

A. Villages in the project area have been asked to eliminate poppy cultivation in return for anticipated benefits from the alternative development project. Field inspections of project area villages by Embassy personnel indicate that cultivation of opium poppy as a cash crop has been largely eliminated in the project area.

Lao authorities have urged local villages to reduce or eliminate cultivation, and there are indications that these efforts are succeeding in areas where rural development has brought economic benefits to the hill tribes that grow opium poppy. Lao authorities have not imposed an outright ban on poppy cultivation in Houaphan or any other region of Laos.

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33. What is the exact status of the Houaphan project? What have been the quantitative and qualitative results of the assistance we have provided for this project?

A. The first stage of the Houaphan project is complete. Two dams for irrigation and electrical generation have been built. Over 100 kilometers of local roads have been completed. Irrigation and electrical distribution systems linked to the dams are under construction. Construction of a hospital is underway. Alternative crops such as coffee are already yielding harvests. Embassy personnel estimate that opium production in the region has fallen from 10,000 hectares prior to 1990, to 4,050 hectares in 1994. The project was scaled down after unexploded ordnance (UXO) was discovered at sites for dams to be constructed in the project. Originally three small dams were planned, but expenditures for removing the UXO at the first two dam sites left funds sufficient only for the completion of two dams. Bridges planned in the original project have been replaced by dry fords.

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34. How were Mr. Gelbard's recent discussions with Vietnam on counternarcotics issues?

- Do you think diplomatic recognition, or the lack of recognition, will have any impact on our narcotics relationship with the Vietnamese?
- Has the issue of narcotics, and the willingness of the Vietnamese to cooperate on this issue, been a factor in our discussions of whether or not to grant Vietnam full diplomatic recognition?

A. My discussions with the Vietnamese authorities on counternarcotics issues have been very positive. They have given us every indication of willingness to cooperate in drug control efforts since high-level discussions on this topic began in 1994. During my recent visit to Vietnam, they continued to be very positive about expanding counternarcotics cooperation. We are exploring ways to assist the Vietnamese in both demand reduction and enforcement efforts. We will be working closely with the UN Drug Control Program to coordinate efforts in these areas. We also plan to offer enforcement training and legal expertise.

We anticipate that diplomatic recognition will facilitate cooperation in drug control, but both the United States and Vietnam were committed to cooperation in this area before diplomatic recognition was announced.

All aspects of our relationship with Vietnam were carefully examined prior to our decision on diplomatic recognition of

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Vietnam, especially our concern for full accounting of POW/MIA's. Concerned officials were aware of the discussions that had been held with Vietnamese authorities on counternarcotics issues.

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35. Do we have any current estimates of how much heroin is transiting Vietnam?

A. We do not at present have a good estimate of how much heroin transits Vietnam. We do have a steady stream of reports confirming heroin trafficking through Vietnam, but we do not have sufficient information to form an estimate on the amount of heroin that transits Vietnam.

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36. We have been working on an opium cultivation survey in Vietnam for a few years now. When do we expect that survey to be completed?

A. We are still working to develop an estimate of poppy cultivation and opium production. We had hoped to have an estimate ready this year, but that does not now seem possible. Efforts are continuing to gather sufficient information to develop an estimate next year.

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37. China has become one of the major transit countries for Golden Triangle heroin. Our counternarcotics relationship with the Chinese has been tainted due to the Goldfish case for a number of years.

-- Has there been any improvement in this relationship?

A. Our counternarcotics relationship with China continues to suffer because of the still-unresolved "Goldfish Case" and other factors. Last year there were minor improvements in training cooperation. We held enforcement training in China, and in the United States we trained Chinese customs personnel in detector dog usage. Practical enforcement cooperation remains limited. The current coolness in the relationship has also had an impact on drug control cooperation. The Chinese continue to undertake a vigorous program of drug enforcement on their own and also have been strong supporters of multilateral cooperation in drug control. Bilateral cooperation in counternarcotics remains limited.

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38. Hong Kong has been one of our closest partners in Asia on counternarcotics. Many concerns have been raised about whether the level of cooperation we have enjoyed will continue after the reversion of Hong Kong to the Chinese.

- Have we had any discussions with the Chinese about what the nature of our counternarcotics relationship will be as it pertains to Hong Kong after the reversion?
- What impact, if any, do you think reversion will have on our counternarcotics efforts in the region?

A. We have been working to lay the legal framework for continued close counternarcotics cooperation with Hong Kong after 1997. Treaties and agreements with Hong Kong must be reviewed by the Joint Liaison Group. Through this process, China is aware of our goals with regard to mutual legal assistance and other matters that may impact on drug control cooperation.

Consistent with the spirit of the U.S. Hong Kong Policy Act of 1992 (22 USC 5701, et seq), we assume our close working relationship with the Hong Kong authorities can be retained after reversion of Hong Kong in 1997. We anticipate no major adverse impact on counter-narcotics efforts in the region as a result of the change. The rapid development of direct trade and economic links between China and the rest of the region has already altered the role of Hong Kong as a transit point for drugs. As trade routes have proliferated, so have trafficking routes. Hong Kong remains a major regional center for drug trafficking and money laundering. We are confident

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the enforcement and regulatory efforts to control these illicit activities will continue after Hong Kong reverts to PRC authority.

**QUESTIONS FOR THE RECORD SUBMITTED BY
CHAIRMAN BENJAMIN A. GILMAN,
HOUSE COMMITTEE ON INTERNATIONAL RELATIONS**

TO

**THE HONORABLE ROBERT S. GELBARD,
ASSISTANT SECRETARY OF STATE
FOR INTERNATIONAL NARCOTICS AND CRIME**

**"Drugs in Asia: The Heroin Connection
June 21, 1995**

1. The Clinton Administration is now into its third year in office. The supply of illegal heroin in the United States is the cheapest, purest, and most widely available in recent history. This is adding extensive costs to American society via crime, incarceration, health care, and other societal costs. Given these facts, why has the Clinton Administration taken so long to develop a workable strategy for addressing the heroin problem?

A. Half of the world's illegal opiates and 60 percent of the heroin seized in the United States come from Burma.

Addressing the problem of Burma is a critical element of a workable heroin strategy. Coordination of our full range of policy concerns regarding Burma has taken a considerable amount of time. We recognize three principal policy concerns in Burma -- human rights, democratization and counternarcotics. While acknowledging that we must address the problem of illicit drugs in Burma, our approach recognizes the serious constraints on accomplishing counternarcotics objectives while the current regime is in power.

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2. In light of information that a strategy has been developed, when was the PDD forwarded to the White House? When do you anticipate it being signed by the President?

A. A draft global heroin strategy has been prepared and remains under discussion.

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3. Approximately sixty percent of the world's illicit opium/heroin supply is produced in Burma. Indeed, last year's production was estimated to have exceeded two thousand metric tons. Meanwhile, the U.S. government has been in paralysis in regards to dealing with the Burmese government. Since they seized power in 1988, the SLORC government in Burma has exhibited an abominable human rights record. Accordingly, we have refused to deal with an illegitimate regime engaged in the abuse of human rights. In light of the recent upsurge in problems related to heroin in the USA, is this policy of detachment vis-a-vis the Burmese government still viable or appropriate?

A. We have not pursued a policy of detachment with regard to counternarcotics in Burma. DEA has remained in Rangoon, and we hope its office will soon be up to its authorized strength of three agents. We continue to support multilateral assistance through the UN Drug Control Program (UNDCP) in supply reduction projects in ethnic minority areas. We have also given training on a case-by-case basis to specialized drug enforcement units. Dealing with the SLORC remains a problem. We believe, however, that we can continue counternarcotics activity in Burma consistent with U.S. human rights concerns in a manner that does not involve compromise with the SLORC. Our message to the SLORC has been strong and unambiguous. We expect them to show substantial progress in all areas of U.S. concern -- human rights, democratization and counternarcotics. We will continue to deal with them on that basis.

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4. Human rights groups argue that only when democracy returns to Burma can we expect to solve the heroin problem. They argue that any bilateral cooperation serves to legitimize the current repressive Burmese government. In the meantime, however, what should the U.S. do about the heroin problem? Is there any tangible evidence that U.S. diplomatic decisions, such as issuing or withholding recognition, have any effect on the policy of the SLORC government?

A. We all hope for the return of democracy to Burma and have no doubt that a democratic government will afford greater opportunities for cooperation than the current repressive regime. Nevertheless, the scale of the narcotics problem in Burma is so massive that even a sympathetic regime will be struggling with it for decades. We owe it to ourselves to do what we can now to stem the massive outflow of heroin from Burma. We believe we can work on the narcotics problem without unduly legitimizing the regime. We should continue practical enforcement cooperation through DEA, we should expand multilateral supply reduction efforts, and we should offer training as appropriate. We should also continue to urge Burma's neighboring countries to press the Rangoon regime to undertake effective drug control. There is some evidence that U.S. diplomatic decisions have an effect on the SLORC government, but our leverage is limited.

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5. The U.S. has not had any official dealings with Burma since the SLORC seized power in 1988. Since that time, we have seen an upsurge in the amount of worldwide opium production, approximately a doubling according to Lee Brown. What has this policy of detachment from Burma gained us, other than increased heroin output from Burma? Is the SLORC weaker or stronger today as a result of our human rights concerns? What about the human rights of our kids in the inner cities and schools who are being exposed to all of the evils associated with drugs, of which heroin is an increasing component?

A. We do have official dealings with the SLORC. We maintain an Embassy in Rangoon, though at the Charge d'Affaires level. We have, however, stopped bilateral counternarcotics aid, and current assistance is limited largely to training programs. There has been a sharp upsurge of heroin production in the past seven years, but much of the increase is due to exploitation of the political fragmentation of Burma by ethnic militias that use the opium and heroin trade as a principal source of revenue. Better relations would not have solved the underlying political and economic problems that have made Burma vulnerable to the drug trade. A democratic government committed to political reconciliation would be in a better position to remedy these vulnerabilities. The SLORC seems to have resisted many of our concerns about human rights and political reconciliation in Burma and is confident in its present situation. Nevertheless, U.S. pressure may well have played a part in the recent release of Aung San Suu Kyi. Our first duty is naturally to our own citizens, and we should do what we can in the present context to stem the flow of heroin from Burma to protect the rights of U.S. citizens.

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6. What are the views of neighboring governments in the region concerning the Burmese heroin problem? Do they feel the U.S. should engage the Burmese government in cooperative counternarcotics efforts? If so, what approach do they suggest we adopt?

A. Most of the countries of Southeast Asia would like us to actively engage Burma on counternarcotics issues. All countries of the region recognize that heroin trafficking is a growing problem and the source of most Southeast Asian heroin is Burma. Although there is a consensus that more should be done, there has been no single course of action proposed by Burma's neighbors. The United States supports effective regional drug enforcement and supply reduction activity. For example, Thailand has closed its northern border in an effort to restrict the supply lines and heroin trafficking routes used by Khun Sa's Shan United Army. China, even though it is Burma's closest ally, has reportedly expressed dissatisfaction to Rangoon over its lackluster drug control efforts. China in 1994 executed a major Burmese trafficker in a clear signal to trafficking groups along the Sino-Burmese border that China has no tolerance for smuggling efforts through its territory. We have supported multilateral efforts through UNDCP in both enforcement and supply reduction, and China and Thailand have been working with UNDCP on sub-regional projects.

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7. Is a compromise approach with the Burma government possible, wherein U.S. interests and concern for human rights are met, while effective counter-narcotic efforts are developed, to halt the heroin before it reaches our shores?

A. We believe that we can continue counternarcotics efforts in Burma in a manner consistent with U.S. human rights concerns. We do not believe a compromise with the present SLORC-run Burmese government is necessary to pursue our goals in Burma. We have repeatedly made it clear to the authorities in Rangoon that we expect them to make advances on all U.S. policy concerns.

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8. According to our own government, Vietnam has become a major transit zone for some of the heroin out of Burma. What solutions does the Vietnamese government recommend? How are they cooperating with the U.S., as certified by the President on March 1, 1995, to stem the flow of the Burmese heroin, when we have no DEA or Counternarcotics people or programs on the ground there, because we don't recognize that nation?

A. The Vietnamese government has worked to develop a master plan for drug control that includes enhanced enforcement, supply reduction and demand reduction efforts. The Vietnamese government is looking for international assistance in all three of these areas. Vietnam has taken adequate steps on its own to meet the goals of the 1988 UN Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances through domestic drug enforcement and eradication efforts. There has been active cooperation with U.S. law enforcement agencies through INTERPOL. U.S. and Vietnamese officials have been conducting high-level discussions on narcotics cooperation since August of 1994. These discussions have been very positive, and the Vietnamese have expressed a willingness to work closely together with us on drug control efforts. In 1994, I was invited by Vietnamese officials to travel to Vietnam to explore further areas of possible counternarcotics cooperation. I was able to accept this invitation in June. My discussions with the Vietnamese convinced me that they are strongly committed to tackling the drug problem they face and look forward to greater international cooperation in this endeavor. DEA shares this view.

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9. Despite being a major transit country for Burmese heroin, Thailand has always cooperated with the U.S. on counter-narcotics efforts, including their virtual elimination of indigenous opium poppy cultivation. What solutions does the Thai government recommend to the Burmese heroin problem? Do they have any leverage which could be used on the Burmese?

A. Thailand has broader economic and political ties with Burma than does the United States, but this does not necessarily translate into leverage. Thai-Burmese relations have been strained by border incidents, actions of the Burmese army that have caused refugee flows into Thailand, and the recent murders of Burmese crewmen on a Thai fishing boat. The Thai government's ability to offer any suggestions to the Burmese regarding the heroin problem would seem to be constrained by the complexities of Thai-Burmese relations. Moreover, Thailand still faces a serious challenge of its own in the area of drug enforcement which it must address. We encourage Thailand to take whatever positive measures are within its power to stem the flow of heroin in Southeast Asia. Thailand has made significant advances in reducing poppy cultivation and we would support any efforts by Thailand to share its experience in supply reduction with its neighbors.

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10. Given that money laundering is increasingly becoming a component of the narcotics trade, how is Hong Kong, a major finance center in the Far East, responding to the heroin problem? Are large amounts of heroin being smuggled through Hong Kong? Is the money from the Burmese drug trade being laundered through Hong Kong?

A. Hong Kong passed the Organized and Serious Crimes Ordinance in October 1994 which made money laundering a criminal offense. The law also gave the authorities greater ability to investigate the financial dealings of organized crime. The Hong Kong authorities have demonstrated their seriousness in addressing the problem of money laundering by establishing a financial investigation group in the Royal Hong Kong Police. Reporting requirements for suspicious financial transactions are a voluntary requirement, which USG officials consider a weakness. However, the British used a voluntary system, effectively in their estimation, until European Union policy made the requirement mandatory. Hong Kong draws its guidance from Britain and is aware of this change in British law.

The amount of heroin transiting Hong Kong is difficult to quantify, but there are indications that the quantity going through Hong Kong may be decreasing as regional trafficking routes proliferate.

Heroin trafficking groups are one of the principal sources of illicit funds laundered through Hong Kong. These groups are located in many countries and areas of Southeast and East

Asia. Although Southeast Asian heroin originates primarily in Burma, the chain of illegal trafficking groups and the generation of illicit proceeds extends throughout the region.

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11. What role is China playing in the flow of Burmese heroin in the region today? Are they tolerating it, steering it away from their borders, or actively seeking to interdict it? What other role does China have regarding heroin in the region?

A. China has mounted a vigorous drug enforcement campaign in which interdiction is a major component. China seizes more heroin than any other country in East Asia or Southeast Asia. Nevertheless, despite strong laws that provide the death penalty for anyone trafficking more than 50 grams of heroin, smuggling is a growing problem. The use of China as a transit route by heroin smugglers has changed some of the regional patterns of the heroin trade. The South China coast has become an important staging point for heroin enroute to international markets. We have urged the government of China to cooperate with us more against the problem. We are still hoping to achieve better cooperation results in the future.

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12. Could China, because of its fear of its own heroin addicts and user problems, be used to leverage the Burmese on the drug trade, and can China be used to help bring a halt to the outflow of heroin from Burma?

A. We have reports that China is trying to use its leverage with the Burmese to increase drug control efforts by Rangoon, but results have been limited. Last year China sent a strong signal to Burma-based traffickers by arresting and executing Yang Mao-xian, the brother of Yang Mao-liang, head of the Kokang, a major heroin trafficking group.

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13. While Sino-U.S. relations have been strained recently, one area the two governments agree on is the importance of maintaining strong anti-narcotics programs to combat the dangers of drugs. What, if any, bilateral counternarcotic programs, are we working with Beijing?

A. Bilateral programs with Beijing are limited. In 1994, we trained Chinese customs personnel in detector dog handling at the U.S. Customs Service school in Front Royal. In 1994, DEA held a basic enforcement training course in the city of Xiamen in Fujian. Another DEA training course was planned for 1995, but the current strain in relations disrupted planning for the course and it will not be held as scheduled. We are making efforts to include Chinese enforcement personnel in regional training courses. We have attempted information exchanges with Chinese enforcement authorities with mixed results. We are considering designated funding for a UN Drug Control Program (UNDCP) proposal to improve Chinese interdiction capability along the Burmese border.

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14. Assuming it becomes impossible for the U.S. government to develop a bilateral arrangement with the current Burmese government, can the United Nations Drug Control Program (UNDCP) be used as a neutral third party to help solve the Burmese heroin problem through regional counter-narcotics efforts? Would the U.S. government view the UNDCP's role as a viable alternative to dealing with the current regime in Rangoon?

A. The UNDCP already has an active role in Burma which we support. We do not view UNDCP programs as alternatives to bilateral efforts, but they are an important complementary effort. In the case of Burma, UNDCP is one of the few viable vehicles for drug assistance. UNDCP has an established track record in alternative development in Burma and deserves continued support.

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15. If the UNDCP approach is not viable, would it be possible for the U.S. to adopt a concentrated strategy with Thailand, China, and Vietnam to close down the primary transit routes for the heroin coming out of Burma? Would such an interdiction strategy diminish the supply of heroin, or could the Burmese producers maintain the current level of supply simply by smuggling out of Burmese ports?

A. The UNDCP approach is viable but efforts are also needed in countries bordering or near Burma through which Burmese heroin makes its way to international markets. We have cooperated closely with Thailand for many years in drug enforcement, and our coordinated efforts have resulted in some notable enforcement successes, in particular the Operation Tiger Trap arrests in late 1994. China maintains a vigorous enforcement effort on its own. Bilateral cooperation is limited, but support for China's effort through multilateral means is possible and we are exploring this option. In my discussions with Vietnamese leaders, they have shown a strong interest in increasing multilateral and bilateral drug enforcement efforts.

Strengthening the interdiction efforts in Thailand, China and other transit countries should have an effect on the flow of Burmese heroin. Current efforts by Thailand and China have resulted in heroin seizures of between 5 and 6 metric tons of heroin each year since 1992. Regional interdiction efforts are already intense, but there are areas that could be strengthened.

Foreign trade going through Burmese ports is limited and is unlikely to become a major avenue for heroin trafficking in the near future, but traffickers will continue to exploit every vulnerability in regional enforcement capabilities in order to move narcotics to major Western markets.

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16. A recent ONDCP press release said the cost of drugs is decreasing due to increased supply. Isn't this an admission that the Administration's interdiction efforts are a total failure?

A. The Administration's efforts in interdiction continue to yield results. The study on which the press release was based indicated that interdiction efforts have continued to result in seizures of significant amounts of cocaine. The study showed no appreciable increase in supply of cocaine during the period under investigation (1989-1993). Interdiction efforts prevent more than 100 tons of cocaine from reaching the U.S. annually.

The press release in question announced the findings of the ONDCP report, "What America's Users Spend on Illegal Drugs, 1988-1993." This study reported that the overall size of the retail drug market in the United States had fallen from \$64.4 billion in 1988 to \$48.7 billion in 1993. This is due in part to a decrease in the number of drug users, but is due mostly to a decrease in the street prices for heroin and cocaine.

Between 1988 and 1993, according to the report, the amount of cocaine available for consumption in the United States remained at a fairly constant level. But, because of declining prices, the street value of that cocaine has fallen over time. The study results indicate that despite a fairly constant overall level of drug supply, current drug supply outstrips current demand. Dealers are getting less money for their wares. This does not mean interdiction efforts are failing.

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17. This same ONDCP report also claimed that numerous dealers are getting out of cocaine and into the heroin trade because the supply is plentiful and the demand is increasing. What is the Administration's game plan for addressing this serious new development?

A. This question seems to refer to another ONDCP report, the quarterly "Pulse Check." There are a number of reasons for drug dealers to change what they sell. Crack cocaine users are often reported to add small amounts of heroin to their crack or to use one after the other to take the edge off the crack cocaine crash. At least they do this if the price of heroin is low and its purity is high. This appears to be an increasing practice, and it probably accounts for at least some of the shifts seen in the drug market.

The Administration's National Drug Control Strategy is not drug specific, though it does include references to both cocaine and heroin. The basic solutions to the fundamental problems presented by these and any other illegal drugs are the same -- a comprehensive drug control program that combines drug interdiction, drug prevention, drug enforcement, and drug treatment in the proper mix, and in full support of each other.

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18. How do we plan to interdict the increasing levels of heroin that are beginning to enter the U.S. from the rapidly growing Latin American producer market?

A. Our FY 1996 request for international narcotics control was \$213 million. These funds, inter alia, are directed toward capturing heroin shipments and eradicating opium poppy cultivations through assistance to narcotics law enforcement units in Mexico, the Andean countries, Central America and elsewhere in the region.

While political concerns in Mexico last year hampered poppy eradication, heroin seizures rose over 550 percent from 62 kgs in 1993 to 297 kgs in 1994. The latest figures from Colombia show that nearly 2,000 hectares (ha) of opium poppy in Colombia have been eradicated. In 1994, Venezuela received help from the U.S. for "surge" eradication of over 1,000 ha of mostly opium poppy fields after these cultivations were discovered for the first time within Venezuelan borders. In Guatemala, with USG support, specially trained and equipped units of the Guatemalan Treasury Police eradicated 150 ha of opium poppy. Current poppy cultivations in Guatemala, increasingly inaccessible and difficult to distinguish from legitimate crops, are estimated at approximately 50 ha.

In sum, reducing opium poppy cultivations and interdicting heroin originating from Latin America are an integral part of our counternarcotics Western Hemisphere strategy, and we will continue to seek viable ways to reduce this threat to the American people.

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19. What are the routes both the Colombians and Nigerians are using to bring SE Asia heroin to cities like New York and Los Angeles?

A. Nigerians purchase heroin in both Southeast and Southwest Asia and bring it into Africa, often through Ethiopia which has airline connections with Asia, unlike Nigeria. It is repackaged in Nigeria, and sent out through many different routes in Europe, often using couriers of non-Nigerian nationality. We also believe, but have not yet documented, that Nigerian traffickers sometimes ship the heroin to the U.S. without first transshipping through Africa.

DEA has reported that Colombians have established some barter relationships with Lebanese and Mafia traffickers, trading cocaine for heroin. The heroin may be brought into the U.S. at a later date. The heroin the Colombians receive in these barter deals is, however, more than likely Southwest Asia heroin, rather the Southeast Asia heroin, since both the Lebanese and Europeans traffic primarily in Southwest Asia heroin. Information is, as yet, somewhat sketchy but the barter arrangements do not appear to be conducted on a large scale. A wide variety of routes could be used to bring the barter heroin to the U.S.

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20. The recent ONDCP report also states that middle and street level distributors of heroin are most often users who sell drugs in order to support and maintain their own habits. Is there any emerging evidence that those cocaine dealers who are moving into the heroin market include local as well as Asian, Colombian, or Nigerian gangs? In other words, will the heroin distribution market in two to three years be dominated by gangs like the crack market today?

A. Street-level gangs will deal in whatever drugs can be sold. This segment of the distribution network is already dominated by gangs. There is no evidence that expansion of the heroin market is changing the composition of street-level gangs that dominate drug dealing. Groups that have been selling primarily cocaine and crack will also sell heroin. There is no evidence that street dealing of heroin is spawning a new or different layer of gangs. At the middle level of distribution, there seems to be room for Asian, Nigerian and Colombian organizations in the heroin market. At the middle level, the heroin market is more fragmented and less likely to occasion violent clashes between different trafficking groups than the cocaine market.

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21. What plans does the State Department have with regard to eventually opening an embassy in Afghanistan from which counternarcotics programs might eventually be implemented?

A. Embassy Kabul was closed and all U.S. diplomatic personnel were withdrawn in 1989 because of unsafe security conditions. We will look at reopening the embassy once security conditions in the country improve significantly. Such improvement will probably require the establishment of a clear central authority, acceptable to all Afghans.

The security situation remains unsettled, precluding the presence of U.S. diplomats. No other Western nations have diplomatic missions resident in Kabul.

The Bureau for International Narcotics and Law Enforcement Affairs (INL) runs modest programs in Afghanistan at this time from Pakistan. The actual programs are generally administered by NGOs such as Mercy Corps, with which INL signed a Letter of Agreement for a project in the Helmand Valley in FY 94. While this is not ideal, it is the best the security situation in Afghanistan currently permits.

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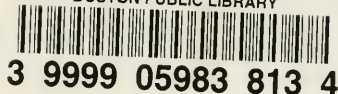
22. The press release accompanying the ONDCP report state: "We are also encouraged that these numbers indicate the number of users has decreased." Yet, the report itself states that heroin use is increasing, marijuana is increasing among the middle class, and that cocaine use, while starting to stabilize, is still rising. Would a more honest and accurate statement be that Americans are spending less on drugs because drugs are cheaper, and purer, and not because drug use is actually dropping?

A. ONDCP is better placed to answer this question. ONDCP noted that the question refers to the findings of several reports -- the "Pulse Check," "What America's Users Spend on Illegal Drugs, 1988-1993" and perhaps some others. ONDCP has indicated it will assist the committee in better understanding the full meaning of these various reports.

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23. The Clinton Administration has chosen to focus much of its counter-narcotics resources on treatment of hard-core addicts. Yet the recent ONDCP report states that "a significant number of former users, who had been in jail or in treatment, returning to heroin use because of the increased availability, lower price, and higher purity." Additionally, in describing the profile of the average heroin addict in treatment, that "the majority have been in treatment before." In light of these facts, outlined in the Administration's own report, is it accurate to argue the widespread availability, cheap price and high purity of heroin today dooms a policy of concentrating on treatment rather than interdiction to failure?

A. The Administration does not pursue a policy of concentrating on treatment rather than interdiction. As each Director of National Drug Control Policy and each National Drug Control Strategy has said, the only strategy that can be expected to work is one that combines all the required components -- interdiction, enforcement, prevention and treatment -- in a comprehensive and mutually supportive way. Each Director and every Strategy has stressed the value of treatment. Director Bennett, the first Director of ONDCP, called for special treatment for hard-core users and expansion of treatment capacity to meet the need of each and every drug user. It is clear that interdiction alone, enforcement alone, prevention alone -- none of these alone -- can do the job. All are needed and all must be included.



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24. Have you considered asking the Nigerian government, as part of our evaluation of their level of drug cooperation, to cancel the operative Nigerian passports of any of the drug couriers we are aware of from that nation?

A. Yes. However, once a person has been identified as a courier, their utility to a trafficking organization is essentially disrupted. Moreover, the ease of individuals in obtaining new, and presumably false, identity documents means that there would be little law enforcement value against criminal elements.

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June 21, 1995

25. In addition, have we asked that the government of Nigeria toughen up their fraudulent document laws and increase penalties for counterfeiting the key travel and entry documents that so often aid many of the Nigerian drug couriers' travel around the globe today? If not, why not?

A. We have discussed with key Nigerian government representatives, such as the Finance Minister and the Special Advisor on Narcotics, Crime and Advance Fee Fraud, the need for the Nigerian government to develop a passport which is less easily forged. Earlier in the year these government representatives claimed to be eager to move on this project, but we have seen no reporting indicating that the decision has been made.

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